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PROCEEDINGS AND DEBATES OF THE 93^d CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—Tuesday, July 2, 1974

The House met at 12 o'clock noon.

Rabbi Sidney S. Guthman, president, Western States Region of the Rabbinical Assembly, Long Beach, Calif., offered the following prayer:

בָּרוּךְ שָׁמָן

Heavenly Father and Creator of All:

Two days hence, we, Thy children, will observe the 198th anniversary of the historic day when the Founding Fathers of this Nation signed the Declaration of Independence.

Built upon these foundations, the young Nation matured, grew in affluence and influence, and became the mightiest defender of freedom and the most dependable bastion of democracy.

For these, Thy bountiful blessings, we are indeed grateful beyond words. We now humbly implore Thee to continue to favor us with Thy divine guidance. Do Thou inspire our legislators to reaffirm the principles of the Founding Fathers and to embody them in wise laws.

We beseech Thee, O merciful Father, to bless our country. May it ever be opulent but generous, strong but just, firm but wise, a shining example for all mankind to emulate. May this be Thy will. 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.

PRIVATE CALENDAR

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

MRS. ROSE THOMAS

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

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

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

There was no objection.

COL. JOHN H. SHERMAN

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

Mr. WYLIE. Mr. Speaker, I ask unani-

mous consent that the bill be passed over without prejudice.

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

There was no objection.

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

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

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

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

There was no objection.

MR. AND MRS. JOHN F. FUENTES

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

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

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

There was no objection.

MURRAY SWARTZ

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

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

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

There was no objection.

RESOLUTION TO REFER BILL FOR THE RELIEF OF ESTELLE M. FASS TO THE CHIEF COMMISSIONER OF THE COURT OF CLAIMS

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

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

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

There was no objection.

RITA SWANN

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

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

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

There was no objection.

LEONARD ALFRED BROWNRIFF

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

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

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

There was no objection.

FAUSTINO MURGIA-MELENDRIZ

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

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

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

There was no objection.

ROMEO LANCIN

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

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

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

There was no objection.

GABRIEL EDGAR BUCHOWIECKI

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

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

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

There was no objection.

LEONOR LOPEZ

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

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

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

There was no objection.

ESTATE OF PETER BOSCAS, DECEASED

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

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

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

There was no objection.

DIRECTING THE SECRETARY OF THE INTERIOR TO CONVEY CERTAIN PUBLIC LAND IN THE STATE OF MICHIGAN TO THE WISCONSIN-MICHIGAN POWER CO.

The Clerk called the bill (H.R. 3903) to direct the Secretary of the Interior to convey certain public land in the State of Michigan to the Wisconsin-Michigan Power Co.

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

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

There was no objection.

FIRST PRIVATELY OWNED URANIUM ENRICHMENT PLANT IN THE WORLD

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

Mr. DICKINSON. Mr. Speaker, yesterday I was very privileged to attend the announcement of a new industry in my district. Uranium Enrichment Associates, a joint venture by Bechtel Corp., Union Carbide, and Westinghouse, will build a uranium enrichment plant which will cost in excess of \$2.75 billion. Construction is slated to begin in mid-1976 and over 7,000 persons will be employed during the peak period of construction. Upon completion in 1983, some 6½ years later, the plant will employ 1,400 people with an annual payroll of \$23 million.

Mr. Speaker, this is the largest single announcement of a manufacturing concern in the history of the United States. Although there are three such plants in operation today in the United States, all are Government-owned and operated by the Atomic Energy Commission. This will be the first uranium enriching plant that is not government-owned in the world. I think this is quite a tribute to our free enterprise system. Where else in the world could private industry build such a plant?

Not only is this good news for the peo-

ple of Alabama's Second District, but it is good news for the Nation. This plant will supply enriched uranium to fuel processing plants across the United States to feed the 90 nuclear powerplants in operation or under construction. These in turn, will produce the electrical energy a power-hungry America needs without consuming our shrinking petroleum supply.

WHAT HAPPENED TO THE TRADE BILL?

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

Mr. CONABLE. Mr. Speaker, last December, the House passed the Trade Reform Act, the first major trade legislation in years. Its purpose was to reform the existing trading order to make it more equitable for all concerned—to break down the barriers which continue to inhibit U.S. access to foreign markets and to respond to the problems increased imports cause for domestic industries and workers.

Development and passage of this bill in the House was no easy feat—the House bill was the product of months of work and years of preparation. Considerable effort went into working out a bill that allowed the President to negotiate needed changes while letting Congress retain a hand in the process. We have invested too much energy in this bill and it is too badly needed to allow it simply to die through inaction.

I am distressed to see that this may be what is happening. The House passed the bill over 6 months ago. After it was referred to the other body, hearings were held, but otherwise no measurable or substantive progress seems to have been made. The first markup session was devoted to reviewing the bill. The second lasted only a quarter of an hour. I understand that there are no plans for further committee action until after the Fourth of July, and that there is no firm commitment for action even at that late date.

Only one slight note of encouragement has been sounded recently—the removal of an obstacle which may have discouraged prompt action on the trade bill. The recent enlargement of the European Common Market resulted in tariff changes costly to American business. Eighteen months of stalemate and negotiation ensued, but finally an acceptable proposal on compensatory tariff reductions was made by the EEC and the United States has accepted. The resolution of this longstanding dispute will not only help improve Atlantic relations, but it should rid the issue of one excuse for procrastination, thus clearing the way for timely final action on the trade bill in the other body.

If the United States is to remain competitive in world markets, we must have this legislation. Our competitors are not going to suspend their operations to wait for us to act. Our trade position, clearly, depends upon prompt and expeditious action in the other body. I urge them to enact the bill.

PERSONAL EXPLANATION

Mr. ROBINSON of Virginia. Mr. Speaker, on Friday, June 28, 1974, I was on the floor of the House during the debate and the vote on the bill H.R. 15581, making appropriations for the government of the District of Columbia and other activities.

During the vote, my attention was distracted by conversation with a Member on another legislative matter, and I failed to record my vote in time. I ask unanimous consent that the RECORD show that had I voted, I would have voted "nay."

PERSONAL EXPLANATION

Mr. BOB WILSON. Mr. Speaker, yesterday on rollcall No. 356 I was on the floor and discussed the vote with the minority leader. I believe that I voted, but I am not recorded as having voted "aye," as I would have voted.

PERMISSION FOR COMMITTEE ON THE DISTRICT OF COLUMBIA TO FILE CERTAIN REPORTS

Mr. FRASER. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file sundry reports.

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

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 15427, AMENDMENTS TO RAIL PASSENGER SERVICE ACT OF 1970

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1208 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1208

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. 15427) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, 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 Interstate and Foreign Commerce 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 amendments 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 Texas (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. YOUNG of Texas. Mr. Speaker, House Resolution 1208 provides for an open rule with 1 hour of general debate on H.R. 15427, a bill making amendments to the Rail Passenger Service Act of 1970.

House Resolution 1208 provides that it shall be in order to consider the amendment in the nature of a substitute offered by the Committee on Interstate and Foreign Commerce as an original bill for the purpose of amendment under the 5-minute rule. H.R. 15427 authorizes a fiscal year 1975 appropriation of \$200 million in Federal grants to Amtrak for operating expenses. The bill also authorizes an increase in the maximum amount of Federal guaranteed loans which Amtrak can have outstanding at any one time from \$400 million to \$900 million.

H.R. 15427 also prohibits Amtrak from discontinuing service over any route on which service was being operated on January 1, 1973. This "freeze" on existing service lasts until July 1, 1975.

Mr. Speaker, I urge the adoption of House Resolution 1208 in order that we may discuss and debate H.R. 15427.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, as previously explained, House Resolution 1208 provides for the consideration of H.R. 15427, the Amtrak authorization for 1975, under an open rule with 1 hour of general debate. This rule also makes the committee substitute in order as an original bill for the purpose of amendment.

The primary purpose of H.R. 15427 is to authorize funds for Amtrak for fiscal year 1975.

This bill authorizes \$200,000,000 in fiscal year 1975 for operating expenses.

The bill increases the ceiling on federally guaranteed loans which Amtrak can have outstanding from the present \$500,000,000 to \$900,000,000.

Amtrak is prohibited from discontinuing any route which was in service on January 1, 1973. This prohibition will continue until July 1, 1975.

Mr. Speaker, I urge the adoption of this rule in order that the House may begin debate on H.R. 15427.

Mr. YOUNG of Texas. 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.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 361]

Alexander	Dorn	Montgomery
Arends	Erlenborn	Moorhead, Pa.
Armstrong	Evins, Tenn.	Murphy, N.Y.
Badillo	Goodling	Nichols
Bell	Gray	Passman
Bergland	Green, Oreg.	Pepper
Bevill	Griffiths	Powell, Ohio
Blester	Gunter	Rarick
Blatnik	Hanrahan	Reid
Boiling	Hansen, Wash.	Roberts
Brasco	Hébert	Rooney, N.Y.
Broyhill, N.C.	Hinshaw	Rostenkowski
Buchanan	Holifield	Scherle
Burke, Calif.	Horton	Shoup
Byron	Johnson, Colo.	Sikes
Carey, N.Y.	Jones, Ala.	Sisk
Carney, Ohio	Jones, Tenn.	Smith, Iowa
Chamberlain	Kuykendall	Steele
Chisholm	Landrum	Steiger, Ariz.
Clark	Lujan	Stuckey
Clay	McCloskey	Sullivan
Cochran	McEwen	Teague
Conyers	McSpadden	Thone
Corman	Madden	Wilson
Davis, Ga.	Martin, Nebr.	Charles, Tex.
de la Garza	Meeds	Wyman
Dellums	Minshall, Ohio	Young, S.C.
Diggs	Mizell	Zwach

The SPEAKER. On this roll call 351 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. 11385, AMENDING PUBLIC HEALTH SERVICE ACT

Mr. STAGGERS submitted the following conference report and statement on the bill (H.R. 11385) to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries:

CONFERENCE REPORT (H. REPT. NO. 93-1170)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11385) to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. (a) This Act may be cited as the "Health Services Research, Health Statistics, and Medical Libraries Act of 1974".

(b) Unless the context otherwise requires, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—HEALTH SERVICES RESEARCH AND EVALUATION; HEALTH STATISTICS

SEC. 101. This title may be cited as the "Health Services Research and Evaluation and Health Statistics Act of 1974".

SEC. 102. (a) Sections 307, 312, 312a, 313, and 315 are repealed.

(b) (1) Section 306 is amended (A) by striking out "Surgeon General" each place it appears and inserting in lieu thereof "Secretary", (B) by striking out "309" each place

it occurs in subsection (d) and inserting in lieu thereof "313", and (C) by striking out subsection (e) and redesignating subsection (f) as subsection (e).

(2) Section 306 as amended by paragraph (1) is transferred to part B of title III, is redesignated section 312, and is inserted after section 311.

(c) (1) Section 309 is amended (A) by striking out "Surgeon General" each place it occurs and inserting in lieu thereof "Secretary", and (B) by striking out "306(d)" and inserting in lieu thereof "312(d)".

(2) Section 309, as amended by paragraph (1), is transferred to part B of title III, is redesignated section 313, and is inserted immediately before section 314.

(d) Section 310 is transferred to part B of title III, is redesignated section 319, and is inserted after section 318.

(e) Section 310A is transferred to title II, is redesignated section 226, and is inserted after section 225.

(f) (1) Section 310B is amended by striking out "304, 305".

(2) Section 310B, as amended by paragraph (1) is transferred to title II, is redesignated section 227, and is inserted after section 226 (inserted by subsection (e) of this section).

SEC. 103. Section 304 is amended to read as follows:

"GENERAL AUTHORITY RESPECTING HEALTH STATISTICS AND HEALTH SERVICES RESEARCH, EVALUATIONS, AND DEMONSTRATIONS

"SEC. 304. (a) (1) The Secretary shall—

"(A) undertake through the National Center for Health Services Research, the National Center for Health Statistics, and such other units of the Department of Health, Education, and Welfare as he may select, and

"(B) support, health statistical activities and health services research, evaluation, and demonstrations.

"(2) In carrying out paragraph (1), the Secretary shall give appropriate emphasis to research and statistical activities respecting—

"(A) the determinants of an individual's health,

"(B) the impact of the environment on individual health and on health care,

"(C) the accessibility, acceptability, planning, organization, technology, distribution, utilization, quality, and financing of systems for the delivery of health care, including systems for the delivery of preventive, personal, and mental health care, and

"(D) individual and community knowledge of individual health and the systems for the delivery of health care.

"(b) To implement subsection (a), the Secretary may, in addition to any other authority which under other provisions of this Act or any other law may be used by him to implement such subsection, do the following:

"(1) Utilize personnel and equipment, facilities, and other physical resources of the Department of Health, Education, and Welfare, permit appropriate (as determined by the Secretary) entities and individuals to utilize the physical resources of such Department, provide technical assistance and advice, make grants to public and nonprofit private entities and individuals, and enter into contracts with public and private entities and individuals, for (A) health services research, evaluation, and demonstrations, and (B) health services research and health statistics training, and (C) health statistical activities.

"(2) Admit and treat at hospitals and other facilities of the Service persons not otherwise eligible for admission and treatment at such facilities.

"(3) Secure, from time to time and for such periods as the Secretary deems advisable, the assistance and advice of experts

and consultants from the United States or abroad.

"(4) Acquire, construct, improve, repair, operate, and maintain laboratory, research, and other necessary facilities and equipment, and such other real or personal property (including patents) as the Secretary deems necessary; and acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise, through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia.

"(c) The Secretary shall coordinate all health services research, evaluation, demonstration, and health statistical activities undertaken and supported through units of the Department of Health, Education, and Welfare. To the maximum extent feasible, such coordination shall be carried out through the National Center for Health Services Research and the National Center for Health Statistics."

SEC. 104. Section 305 is amended to read as follows:

"NATIONAL CENTER FOR HEALTH SERVICES RESEARCH

"SEC. 305. (a) There is established in the Department of Health, Education, and Welfare the National Center for Health Services Research (hereinafter in this section referred to as the 'Center') which shall be under the direction of a Director who shall be appointed by the Secretary and supervised by the Assistant Secretary for Health (or such other officer of the Department as may be designated by the Secretary as the principal adviser to him for health programs).

"(b) In carrying out section 304(a), the Secretary, acting through the Center, may undertake and support research, evaluation, and demonstration projects (which may include and shall be appropriately coordinated with experiments and demonstration activities authorized by the Social Security Act and the Social Security Amendments of 1967) respecting—

"(1) the accessibility, acceptability, planning, organization, distribution, technology, utilization, quality, and financing of health services and systems;

"(2) the supply and distribution, education and training, quality, utilization, organization, and costs of health manpower; and

"(3) the design, construction, utilization, organization, and cost of facilities and equipment.

"(c) The Secretary shall afford appropriate consideration to requests of—

"(1) State, regional, and local health planning and health agencies,

"(2) public and private entities and individuals engaged in the delivery of health care, and

"(3) other persons concerned with health services, to have the Center or other units of the Department of Health, Education, and Welfare undertake research, evaluations, and demonstrations respecting specific aspects of the matters referred to in subsection (b).

"(d) (1) The Secretary shall, by grants or contracts, or both, assist public or private nonprofit entities in meeting the costs of planning and establishing new centers, and operating existing and new centers, for multidisciplinary health services, research, evaluations, and demonstrations respecting the matters referred to in subsection (b). To the extent practicable, the Secretary shall prove, in accordance with the requirements of this subsection and section 308, a number of applications for grants and contracts under this subsection which will result in at least six of such centers (including two national special emphasis centers, one of which (to be designated as the Health Care Technology Center) shall focus on all forms of technology, including computers and electronic devices, and its applications in health

care delivery; and one of which (to be designated as the Health Care Management Center) shall focus on the improvement of management and organization in the health field, the training and retraining of administrators of health care enterprises, and the development of leaders, planners, and policy analysts in the health field) being operational in each fiscal year.

"(2) (A) No grant or contract may be made under this subsection for planning and establishing a center unless the Secretary determines that when it is operational it will meet the requirements listed in subparagraph (B) and no payment shall be made under a grant or contract for operation of a center unless the center meets such requirements.

"(B) The requirements referred to in subparagraph (A) are as follows:

"(i) There shall be a full-time director of the center who possesses a demonstrated capacity for sustained productivity and leadership in health services research, demonstrations, and evaluations, and there shall be such additional full-time professional staff as may be appropriate.

"(ii) The staff of the center shall represent all relevant disciplines.

"(iii) The center shall (I) be located within an established academic or research institution with departments and resources appropriate to the programs of the center, and (II) have working relationships with health service delivery systems where experiments in health services may be initiated and evaluated.

"(iv) The center shall select problems in health services for research, demonstrations, and evaluations on the basis of (I) their regional or national importance, (II) the unique potential for definitive research on the problem, and (III) opportunities for local application of the research findings.

"(v) Such additional requirements as the Secretary may by regulation prescribe.

"(e) The authority of the Secretary under section 304(b) shall be available to him with respect to the undertaking and support of projects under subsections (b), (c), and (d) of this section."

SEC. 105. The following new section is inserted in part A of title III after section 305:

"NATIONAL CENTER FOR HEALTH STATISTICS

"SEC. 306. (a) There is established in the Department of Health, Education, and Welfare the National Center for Health Statistics (hereinafter in this section referred to as the 'Center') which shall be under the direction of a Director who shall be appointed by the Secretary and supervised by the Assistant Secretary for Health (or such other officer of the Department as may be designated by the Secretary as the principal adviser to him for health programs).

"(b) In carrying out section 304(a), the Secretary, acting through the Center, may—

"(1) collect statistics on—

"(A) the extent and nature of illness and disability of the population of the United States (or of any groupings of the people included in the population), including life expectancy, the incidence of various acute and chronic illnesses, and infant and maternal morbidity and mortality,

"(B) the impact of illness and disability of the population on the economy of the United States and on other aspects of the well-being of its population (or of such groupings),

"(C) environmental, social, and other health hazards,

"(D) determinants of health,

"(E) health resources, including physicians, dentists, nurses, and other health professionals by specialty and type of practice and the supply of services by hospitals, extended care facilities, home health agencies, and other health institutions,

"(F) utilization of health care, including utilization of (i) ambulatory health services

by specialties and types of practice of the health professionals providing such services, and (ii) services of hospitals, extended care facilities, home health agencies, and other institutions,

"(G) health care costs and financing, including the trends in health care prices and cost, the sources of payments for health care services, and Federal, State, and local governmental expenditures for health care services, and

"(H) family formation, growth, and dissolution; and

"(2) undertake and support (by grant or contract) research, demonstrations, and evaluations respecting new or improved methods for obtaining current data on the matters referred to in paragraph (1).

"(c) The Center shall furnish such special statistical compilations and surveys as the Committee on Labor and Public Welfare and the Committee on Appropriations of the Senate and the Committee on Interstate and Foreign Commerce and the Committee on Appropriations of the House of Representatives may request. Such statistical compilations and surveys shall not be made subject to the payment of the actual or estimated cost of the preparation of such compilations and surveys.

"(d) To insure comparability and reliability of health statistics, the Secretary shall, through the Center, provide adequate technical assistance to assist State and local jurisdictions in the development of model laws dealing with issues of confidentiality and comparability of data.

"(e) The Secretary shall (1) assist State and local health agencies, and Federal agencies involved in matters relating to health, in the design and implementation of a cooperative system for producing comparable and uniform health information and statistics at the Federal, State, and local levels; (2) coordinate the activities of such Federal agencies respecting the design and implementation of such cooperative system; (3) undertake and support (by grant or contract) research, development, demonstrations, and evaluations respecting such cooperative system; (4) provide the Federal share of the data collection costs under such system; and (5) review statistical activities of the Department of Health, Education, and Welfare to assure that they are consistent with such cooperative system.

"(f) To assist in carrying out this section, the Secretary shall cooperate and consult with the Departments of Commerce and Labor and any other interested Federal departments or agencies and with State and local health departments and agencies. For such purpose he shall utilize insofar as possible the services or facilities of any agency of the Federal Government and, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), of any appropriate State or other public agency, and may, without regard to such section, utilize the services or facilities of any private agency, organization, group, or individual, in accordance with written agreements between the head of such agency, organization, or group and the Secretary or between such individual and the Secretary. Payment, if any, for such services or facilities shall be made in such amounts as may be provided in such agreement.

"(g) To secure uniformity in the registration and collection of mortality, morbidity, and other health data, the Secretary shall prepare and distribute suitable and necessary forms for the collection and compilation of such data which shall be published as a part of the health reports published by the Secretary.

"(h) There shall be an annual collection of data from the records of birth, deaths, marriages, and divorces in registration areas. The data shall be obtained only from and restricted to such records of the States and

municipalities which the Secretary, in his discretion, determines possess records affording satisfactory data in necessary detail and form. Each State or registration area shall be paid by the Secretary the Federal share of its reasonable costs (as determined by the Secretary) for collecting and transcribing (at the request of the Secretary and by whatever method authorized by him) its records for such data.

"(i) (1) There is established in the Office of the Secretary a committee to be known as the United States National Committee on Vital and Health Statistics (hereinafter in this subsection referred to as the 'Committee') which shall consist of fifteen members.

"(2) (A) The members of the Committee shall be appointed by the Secretary from among persons who have distinguished themselves in the fields of health statistics, epidemiology, and the provision of health services. Except as provided in subparagraph (B), members of the Committee shall be appointed for terms of three years.

"(B) Of the members first appointed—

"(i) five shall be appointed for terms of one year;

"(ii) five shall be appointed for terms of two years; and

"(iii) five shall be appointed for terms of three years,

as designated by the Secretary at the time of appointment. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

"(3) Members of the Committee shall be compensated in accordance with section 208 (c).

"(4) It shall be the function of the Committee to assist and advise the Secretary—

"(A) to delineate statistical problems bearing on health and health services which are of national or international interest;

"(B) to stimulate studies of such problems by other organizations and agencies whenever possible or to make investigations of such problems through subcommittees;

"(C) to determine, approve, and revise the terms, definitions, classifications, and guidelines for assessing health status and health services, their distribution and costs, for use (i) within the Department of Health, Education, and Welfare, (ii) by all programs administered or funded by the Secretary, including the Federal-State-local cooperative health statistics system referred to in subsection (e), and (iii) to the extent possible as determined by the head of the agency involved, by the Veterans' Administration, the Department of Defense, and other Federal agencies concerned with health and health services;

"(D) with respect to the design of and approval of health statistical and health information systems concerned with the collection, processing, and tabulation of health statistics within the Department of Health, Education, and Welfare;

"(E) to review and comment on findings and proposals developed by other organizations and agencies and to make recommendations for their adoption or implementation by local, State, national, or international agencies;

"(F) to cooperate with national committees of other countries and with the World Health Organization and other national agencies in the studies of problems of mutual interest; and

"(G) to issue an annual report on the state of the Nation's health, its health services, their costs and distributions, and to make proposals for improvement of the Nation's health statistics and health information systems.

"(5) In carrying out health statistical ac-

tivities under this part, the Secretary shall consult with, and seek the advice of, the Committee and other appropriate professional advisory groups."

SEC. 106. Section 308 is redesignated as section 307 and is amended to read as follows:

"INTERNATIONAL COOPERATION

"SEC. 307. (a) For the purpose of advancing the status of the health sciences in the United States (and thereby the health of the American people), the Secretary may participate with other countries in cooperative endeavors in biomedical research and the health services research and statistical activities authorized by sections 304, 305, and 306.

"(b) In connection with the cooperative endeavors authorized by subsection (a), the Secretary may—

"(1) make such use of resources offered by participating foreign countries as he may find necessary and appropriate;

"(2) establish and maintain fellowships in the United States and in participating foreign countries;

"(3) make grants to public institutions or agencies and to nonprofit private institutions or agencies in the United States and in participating foreign countries for the purpose of establishing and maintaining the fellowships authorized by paragraph (2);

"(4) make grants or loans of equipment and materials, for use by public or nonprofit private institutions or agencies, or by individuals, in participating foreign countries;

"(5) participate and otherwise cooperate in any international meetings, conferences, or other activities concerned with biomedical research, health services research, or health statistics;

"(6) facilitate the interchange between the United States and participating foreign countries, and among participating foreign countries, of research scientists and experts who are engaged in experiments and programs of biomedical research, health services research, and health statistical activities, and in carrying out such purpose may pay per diem compensation, subsistence, and travel for such scientists and experts when away from their places of residence at rates not to exceed those provided in section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently; and

"(7) procure, in accordance with section 3109 of title 5, United States Code, the temporary or intermittent services of experts or consultants.

The Secretary may not, in the exercise of his authority under this section, provide financial assistance for the construction of any facility in any foreign country."

SEC. 107. (a) Part A of title III is amended by inserting after section 307 (as so redesignated) the following new sections:

"GENERAL PROVISIONS RESPECTING SECTIONS 304, 305, 306, AND 307

"SEC. 308. (a) (1) Not later than September 1 of each year, the Secretary shall make a report to Congress respecting (A) the administration of sections 304 through 307 during the preceding fiscal year, and (B) the current state and progress of health services research and health statistics.

"(2) The Secretary, acting through the National Center for Health Services Research and the National Center for Health Statistics, shall assemble and submit to the President and the Congress not later than September 1 of each year the following reports:

"(A) A report on health care costs and financing. Such report shall include a description and analysis of the statistics collected under section 306(b)(1)(G).

"(B) A report on health resources. Such report shall include a description and analysis, by geographic area, of the statistics collected under section 306(b)(1)(E).

"(C) A report on the utilization of health resources. Such report shall include a description and analysis, by age, sex, income, and geographic area, of the statistics collected under section 306(b)(1)(F).

"(D) A report on the health of the Nation's people. Such report shall include a description and analysis, by age, sex, income, and geographic area, of the statistics collected under section 306(b)(1)(A).

"(3) The Office of Management and Budget may review any report required by paragraph (1) or (2) of this subsection before its submission to Congress, but the Office may not revise any such report or delay its submission beyond the date prescribed for its submission, and may submit to Congress its comments respecting any such report.

"(b) (1) No grant or contract may be made under section 304, 305, 306, or 307 unless an application therefor has been submitted to the Secretary in such form and manner, and containing such information, as the Secretary may by regulation prescribe.

"(2) Each application submitted for a grant or contract under section 304 or 305, in an amount exceeding \$35,000 of direct costs and for a health services research, evaluation, or demonstration project, shall be submitted by the Secretary for review for scientific merit to a panel of experts appointed by him from persons who are not officers or employees of the United States and who possess qualifications relevant to the project for which the application was made. A panel to which an application is submitted under this paragraph shall report its findings and recommendations respecting the application to the Secretary in such form and manner as the Secretary shall by regulation prescribe.

"(3) If an application is submitted under section 304, 305, or 306 for a grant or contract for a project for which a grant or contract may be made or entered into under another provision of this Act, such application may not be approved under section 304, 305, or 306 and funds appropriated under this section may not be obligated for such grant or contract. The applicant who submitted such application shall be notified of the other provision (or provisions) of this Act under which such application may be submitted.

"(c) The aggregate number of grants and contracts made or entered into under sections 304 and 305 for any fiscal year respecting a particular means of delivery of health services or another particular aspect of health services may not exceed twenty; and the aggregate amount of funds obligated under grants and contracts under such sections for any fiscal year respecting a particular means of delivery of health services or another particular aspect of health services may not exceed \$5,000,000.

"(d) No information obtained in the course of activities undertaken or supported under section 304, 305, 306, or 307 may be used for any purpose other than the purpose for which it was supplied unless authorized under regulations of the Secretary; and (1) in the case of information obtained in the course of health statistical activities under section 304 or 306, such information may not be published or released in other form if the particular establishment or person supplying the information or described in it is identifiable unless such establishment or person has consented (as determined under regulations of the Secretary) to its publication or release in other form, and (2) in the case of information obtained in the course of health services research, evaluations, or demonstrations under section 304 or 305, such information may not be published or released in other form if the person who supplied the information or who is described in it is identifiable unless such person has consented (as determined under regulations of the Secretary) to its publication or release in other form.

"(e)(1) Payments of any grant or under any contract under section 304, 305, 306, or 307 may be made in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary deems necessary to carry out the purposes of such section.

"(2) The amounts otherwise payable to any person under a grant or contract made under section 304, 305, 306, or 307 shall be reduced by—

"(A) amounts equal to the fair market value of any equipment or supplies furnished to such person by the Secretary for the purpose of carrying out the project with respect to which such grant or contract is made, and
"(B) amounts equal to the pay, allowances, traveling expenses, and related personnel expenses attributable to the performance of services by an officer or employee of the Government in connection with such project, if such officer or employee was assigned or detailed by the Secretary to perform such services, but only if such person requested the Secretary to furnish such equipment or supplies, or such services, as the case may be.

"(1) Contracts may be entered into under section 304, 305, or 306 without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(g)(1) The Secretary shall—

"(A) publish, make available and disseminate, promptly in understandable form and on as broad a basis as practicable, the results of health services research, demonstrations, and evaluations undertaken and supported under sections 304 and 305;

"(B) make available to the public data developed in such research, demonstrations, and evaluations; and

"(C) provide indexing, abstracting, translating, publishing, and other services leading to a more effective and timely dissemination of information on health services research, demonstrations, and evaluations in health care delivery to public and private entities and individuals engaged in the improvement of health care delivery and the general public; and undertake programs to develop new or improved methods for making such information available.

Except as provided in subsection (d), the Secretary may not restrict the publication and dissemination of data from, and results of projects undertaken by, centers supported under section 305(d).

"(2) The Secretary shall (A) take such action as may be necessary to assure that statistics developed under section 304, 305, and 306 are of high quality, timely, comprehensive as well as specific, standardized, and adequately analyzed and indexed, and (B) publish, make available, and disseminate such statistics on as wide a basis as is practicable.

"(h)(1) Except where the Secretary determines that unusual circumstances make a larger percentage necessary in order to effectuate the purposes of section 304, 305, or 306, a grant or contract under section 304, 305, or 306 with respect to any project for construction of a facility or for acquisition of equipment may not provide for payment of more than 50 per centum of so much of the cost of the facility or equipment as the Secretary determines is reasonably attributable to research, evaluation, or demonstration purposes.

"(2) Laborers and mechanics employed by contractors and subcontractors in the construction of such a facility shall be paid wages at rates not less than those prevailing on similar work in the locality, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 267a-267a-5, known as the Davis-Bacon Act); and the Secretary of Labor shall have with respect to any labor standards specified in this paragraph the authority and functions set forth in Reorganization

Plan Numbered 14 of 1950 (5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

"(3) Such grants and contracts shall be subject to such additional requirements as the Secretary may by regulation prescribe.

"(i)(1) For health service research, evaluation, and demonstration activities undertaken or supported under section 304 or 305, there are authorized to be appropriated \$65,200,000 for the fiscal year ending June 30, 1975, and \$80,000,000 for the fiscal year ending June 30, 1976. Of the funds appropriated under this paragraph for any fiscal year, not less than 25 per centum of such funds shall be made available only for health services research, evaluation, and demonstration activities directly undertaken by the Secretary under such section.

"(2) For health statistical activities undertaken or supported under section 304 or 306, there are authorized to be appropriated \$30,000,000 for the fiscal year ending June 30, 1975, and \$30,000,000 for the fiscal year ending June 30, 1976.

"HEALTH CONFERENCES

"SEC. 309. A conference of the health authorities in and among the several States shall be called annually by the Secretary. Whenever in his opinion the interests of the public health would be promoted by a conference, the Secretary may invite as many of such health authorities and officials of other State or local public or private agencies, institutions, or organizations to confer as he deems necessary or proper. Upon the application of health authorities of five or more States it shall be the duty of the Secretary to call a conference of all State health authorities joining in the request. Each State represented at any conference shall be entitled to a single vote. Whenever at any such conference matters relating to mental health are to be discussed, the mental health authorities of the respective States shall be invited to attend.

"HEALTH EDUCATION AND INFORMATION

"SEC. 310. From time to time the Secretary shall issue information related to public health, in the form of publications or otherwise, for the use of the public, and shall publish weekly reports of health conditions in the United States and other countries and other pertinent health information for the use of persons and institutions concerned with health services."

(b) The authorizations of appropriations provided by section 308(i) of the Public Health Service Act is extended for the fiscal year ending June 30, 1977, in the amounts authorized for the preceding fiscal year unless before June 30, 1976, Congress has passed legislation repealing this subsection.

SEC. 108. (a) Subject to regulations of the President, lightkeepers, assistant lightkeepers, and officers and crews of vessels of the former Lighthouse Service, including any such persons who subsequent to June 30, 1939, were involuntarily assigned to other civilian duty in the Coast Guard, who were entitled to medical relief at hospitals and other stations of the Public Health Service prior to July 1, 1944, and who retired under the provisions of section 6 of the Act of June 20, 1918 (40 U.S.C. 763), shall be entitled to medical, surgical, and dental treatment and hospitalization at hospitals and other stations of the Public Health Service.

(b) Subsection (a) shall be effective from December 28, 1973.

TITLE II—REVISION AND EXTENSION OF MEDICAL LIBRARY ASSISTANCE PROGRAMS

SEC. 201. (a) Effective July 1, 1974, section 390 is amended by adding after subsection (b) the following new subsection:

"(c) For the purpose of grants and contracts under sections 393, 394, 395, 396, and 397, there are authorized to be appropriated \$17,500,000 for the fiscal year ending June 30,

1975, and \$20,000,000 for the fiscal year ending June 30, 1976."

(b) The section heading for such section is amended to read as follows:

"DECLARATION OF POLICY, STATEMENT OF PURPOSE, AND AUTHORIZATION OF APPROPRIATIONS".

(c) The authorization of appropriations provided by section 390(c) of the Public Health Service Act is extended for the fiscal year ending June 30, 1977, in the amount authorized for the preceding fiscal year unless before June 30, 1976, Congress has passed legislation repealing this subsection.

SEC. 202. (a) Subsection (b) of section 390 is amended by striking out paragraph (1) and by redesignating paragraphs (2) through (7) as paragraphs (1) through (6), respectively.

(b) Section 391 is amended—

(1) by inserting "and" at the end of paragraph (2),
(2) by striking out paragraph (3), and
(3) by redesignating clause (4) as paragraph (3).

(c) Section 392(b) is amended to read as follows:

"(b) The Board shall advise and assist the Secretary in the preparation of general regulations and with respect to policy matters arising in the administration of this part."

(d) Section 393 is repealed.

(e) Section 397(b) is amended—

(1) by inserting "and" at the end of paragraph (4),
(2) by striking out ";" and" at the end of paragraph (5) and inserting in lieu thereof a period, and

(3) by striking out paragraph (6).

(f) The first sentence of section 397(d) is repealed.

SEC. 203. (a) The first sentence of section 394(a) is repealed; and the second sentence of such section is amended by striking out "Sums made available under this section shall be utilized by the Secretary in making" and inserting in lieu thereof "To carry out the purposes of section 390(b)(1), the Secretary shall make".

(b)(1) The first and second sentences of section 395(a) are repealed; and the third sentence of such section is amended by striking out "Sums made available under this subsection shall be utilized by the Secretary to" and inserting in lieu thereof "To carry out the purposes of section 390(b)(2), the Secretary shall".

(2) The first and second sentences of section 395(b) are repealed; and the third sentence of such section is amended (A) by striking out "Sums made available under this subsection shall be utilized by the Secretary in making" and inserting in lieu thereof "To carry out the purposes of section 390(b)(3), the Secretary shall make", and (B) by striking out "entering into contracts" and inserting in lieu thereof "enter into contracts".

(c)(1) The first sentence of section 396(b) is amended by striking out "Sums made available under this section shall be utilized by the Secretary for making" and inserting in lieu thereof "To carry out the purposes of section 390(b)(4), the Secretary shall make".

(2) Clauses (A), (B), (C), and (D) of section 396(b) are redesignated as clauses (1), (2), (3), and (4), respectively.

(3) Subsection (a) of section 396 is repealed and subsections (b) and (c) of such section are redesignated as subsection (a) and (b), respectively.

(d)(1) The first sentence of section 397(a) is repealed; and the second sentence of such section is amended by striking out "Sums made available under this section shall be utilized by the Secretary, with the advice of the Board, to make" and inserting in lieu thereof "To carry out the purposes of sec-

tion 390(b)(5), the Secretary, with the advice of the Board, shall make".

(2) The section heading for section 397 is amended by inserting "AND CONTRACTS" after "GRANTS".

(e) The first and second sentences of section 398(a) are repealed; and the third sentence of such section is amended by striking out "Sums made available under this section shall be utilized by the Secretary, with the advice of the Board, in making grants to, and entering into appropriate contracts" and inserting in lieu thereof "To carry out the purposes of section 390(b)(6), the Secretary, with the advice of the Board, shall make grants to, and enter into appropriate contracts".

Sec. 204. Section 399b is repealed; and sections 394 through 399a are redesignated as sections 393 through 399, respectively.

Sec. 205. The amendments made by sections 202, 203, and 204 shall apply with respect to appropriations under part J of the Public Health Service Act for fiscal years beginning after June 30, 1974.

And the Senate agree to the same.

HARLEY O. STAGGERS,
PAUL G. ROGERS,
DAVID E. SATTERFIELD,
SAMUEL L. DEVINE,
ANCHER NELSEN,

Managers on the Part of the House.

EDWARD M. KENNEDY,
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RICHARD SCHWEIKER,
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PETER H. DOMINICK,
J. GLENN BEALL, Jr.,
ROBERT TAFT, Jr.,
ROBERT STAFFORD,

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 amendment of the Senate to the bill (H.R. 11385) to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, minor drafting and clarifying changes, and technical amendments.

STATEMENT OF MANAGERS—H.R. 11385

Establishment of National Centers

The House bill established within HEW a single center to be designated as the National Center for Health Services Research and Health Statistics.

The Senate amendment established within HEW two centers, one to be designated as the National Center for Health Services Research and the other to be designated as the National Center for Health Statistics.

The conference substitute follows the Senate amendment because it was felt that health services research, and health statistics are somewhat different activities and could be most appropriately conducted in separate centers. The proper performance of health services research requires responsive and relevant statistics and the conferees expect that the activities of these two centers will be closely coordinated.

Appointment of Directors of the National Centers

The House bill provided for appointment of the Director of the single center by the Secretary of HEW and for his supervision by the principal adviser to the Secretary for Health Programs (presently the Assistant Secretary for Health).

The Senate amendment provided for the appointment of the Director of each center by the President with the consent of the Senate and required each Director to appoint a Deputy Director.

The conference substitute follows the House bill.

Scope of research and statistical activities

The House bill required the Secretary in carrying out health services research and health statistical activities to give appropriate emphasis to activities respecting the accessibility, acceptability, organization, distribution, utilization, quality, and financing of health care delivery systems.

The Senate amendment contained a similar provision except that it also required emphasis to be given to activities respecting the planning of, and technology for, such systems.

The conference substitute follows the Senate amendment.

Training

The Senate amendment contained a provision, not included in the House bill, authorizing the Secretary to make grants and enter into contracts for health services research and health statistics training.

The conference substitute follows the Senate amendment.

Personnel for the National Center for Health Services Research

The Senate amendment contained a provision, not included in the House bill, authorizing the Secretary to appoint, and fix compensation for, personnel for the National Center for Health Services Research. He was to exercise the authority in accordance with Federal civil service and classification laws except that (1) he could establish entrance grades for persons of exceptional talent at a level two grades higher than is authorized by such laws, and (2) he could appoint personnel without regard to such laws, but the number so appointed could not exceed at any one time one-third of the number of full-time regular technical and professional employees of the Center.

The conference substitute follows the House bill, and does not include the provision in the Senate amendment.

Review of grants and contracts

The House bill required applications for grants or contracts for amounts exceeding \$25,000 for health services research, evaluation, or demonstration projects to be reviewed for scientific merit by a panel of experts appointed by the Secretary.

The Senate amendment contained a similar provision, except that such review was to apply to applications for amounts exceeding \$35,000.

The conference substitute follows the Senate amendment.

Limit on number and amount of grants and contracts

The House bill required that the aggregate number of grants or contracts made in any fiscal year respecting a particular means of delivery of health services or another par-

ticular aspect of health services could not exceed 20; and that the aggregate amount of funds obligated under grants and contracts in any fiscal year respecting a particular means of delivery of health services or another particular aspect of health services could not exceed \$5 million.

The Senate amendment contained no corresponding provision.

The conference substitute follows the House bill.

Transfer of funds

The Senate amendment contained a provision, not included in the House bill, authorizing transfer to the National Center for Health Services Research of funds available to any department or agency of the government for health care delivery research and demonstrations or for the provision of facilities for such research and demonstrations.

The conference substitute follows the House bill, and does not include the provision in the Senate amendment.

Independent research centers

The House bill contained a provision requiring the Secretary to assist in the establishment and operation of at least six independent health services research centers.

The Senate amendment contained a similar provision and also directed the Secretary to assist in establishing and operating a Health Care Technology Center to focus on all forms of technology and its application in health care delivery, and a Health Care Management Center to focus on the improvement of management and organization in the health field, the training and retraining of administrators of health care enterprises, and the development of leaders, planners, and policy analysts in the health field.

The conference substitute combines the provisions of the House bill and Senate amendment by requiring the establishment and operation of at least six independent health services research centers, one of which is to be a Health Care Technology Center and a second of which is to be a Health Care Management Center.

Data for committees

The Senate amendment contained a provision, not included in the House bill, which directed the National Center for Health Statistics to furnish, upon request but without charge, statistical compilations and surveys to the Appropriations Committees of the Senate and House, the Senate Labor and Public Welfare Committee, and the House Interstate and Foreign Commerce Committee.

The conference substitute follows the Senate amendment and includes the provision. The conference committee noted that this provision had been opposed by the Department of Health, Education, and Welfare out of a concern that the cost of complying with these requests might be excessive. However, the provision was included in the conference report because of the difficulty which the concerned Committees have had in getting statistics from HEW on previous occasions and because the conference committee did not anticipate that the concerned Committees would be making unreasonable or excessively costly requests for information.

Office of Health Services Information

The Senate amendment contained a provision, not included in the House bill, which directed the Secretary to establish within the National Center for Health Services Research an Office of Health Services Information to provide services for effective and timely dissemination of information on health services research, demonstration, and evaluation in health care delivery.

The conference substitute contains a provision which would require the Secretary to provide for effective and timely dissemination of information on health services research, demonstration, and evaluation with-

out requiring him to establish a specific Office of Health Services Information.

Data developed in research demonstrations and evaluations

The House bill required the Secretary to make available to the public data developed in research, demonstrations, and evaluations conducted and supported under the legislation.

The Senate amendment contained no corresponding provision.

The conference substitute follows the House bill because it was felt important that the original data used in health services research should be available to the public and to researchers other than those who originally conducted the research in order to allow independent assessments of the meaning of such data.

Confidentiality

The House bill contained a provision restricting use and publication of information obtained in the course of any activity undertaken or supported under the legislation.

The Senate amendment contained a similar provision which was, however, applicable only to information obtained in the course of activities undertaken by the National Center for Health Statistics, and not to activities undertaken by the National Center for Health Services Research.

The conference substitute follows the House bill.

U.S. National Committee on Vital and Health Statistics

The House bill retained the existing U.S. National Committee on Vital and Health Statistics (established by the Secretary), with a requirement that the Secretary consult with and seek the advice of it in carrying out health statistical activities.

The Senate amendment amends the Public Health Service Act to establish in the Office of the Secretary the U.S. National Committee on Vital and Health Statistics, to be composed of 15 members, to assist and advise the Secretary on a broad range of matters relating to health statistics. The Secretary was to consult with and seek the advice of the Committee and other appropriate advisory groups in carrying out health statistical activities.

The conference substitute follows the Senate amendment because it was felt that since such a Committee presently exists, is required by treaty obligations, and is being used in the manner described in the Senate amendment, it should be given a statutory base.

Collection of data and reports of U.S. health conditions

The House bill contained a provision, identical to existing law, directing that there be an annual collection of data on the records of births, deaths, marriages, and divorces in registration areas; and directing the Secretary to publish weekly reports on health conditions in the United States and other pertinent health information.

The Senate amendment contained a similar provision except that (1) the collection of the data was not required to be made on an annual basis, and (2) the reports were to be made on a monthly rather than weekly basis.

The conference substitute follows the House bill.

Appointment of Administrator of Health Resources Administration

The Senate amendment contained a provision, not included in the House bill, requiring the Administrator of the Health Resources Administration to be appointed by the President with the advice and consent of the Senate.

The conference substitute follows the House bill.

National Advisory Council on Health Services Research

The Senate amendment contained a provision, not included in the House bill, establishing a National Advisory Council on Health Services Research to be composed of *ex officio* members and 15 members appointed by the President. The Council was to review the activities of the National Center for Health Services Research, seek within the government coordination of health care-delivery efforts, and assure the dissemination of significant findings.

The conference substitute follows the House bill.

Authorizations of appropriations

The House bill authorized appropriations in fiscal years 1974 and 1975 for health services research, demonstration, and evaluations in the amounts of \$60.5 million and \$65.2 million respectively; and for health statistical activities in the amounts of \$25.0 million and \$30.0 million respectively.

The Senate amendment authorized appropriations for health services research, demonstration, and evaluation activities in the amounts of \$65.2 million for fiscal year 1975, \$80 million for 1976, \$100 million for 1977, and \$125 million for 1978; and for health statistical activities in the amounts of \$30 million each for fiscal years 1975, 1976, 1977, and 1978. In addition, the Senate amendment provided that unexpended appropriated funds could be carried over without fiscal year limitation.

The conference substitute adopts a compromise provision providing authorizations for health services research, demonstration, and evaluation activities in the amounts of \$65.2 million for fiscal year 1975 and \$80 million for fiscal year 1976; and for health statistical activities in the amounts of \$30 million each for fiscal years 1975 and 1976. The conference substitute further provides that these programs shall automatically be extended for one additional year (1977) at the authorization levels provided for fiscal year 1976 unless Congress repeals the authority for such extension. The Senate provision providing that unexpended appropriated funds could be carried over without fiscal year limitation was not included in the conference substitute. The conference committee noted that the authorization of \$30 million for health statistical activities for 1976 will almost certainly be inadequate but could not authorize a greater amount within the scope of the conference and therefore noted their intent to reauthorize an appropriate amount on a later occasion, if necessary.

For comparative purposes, the total authorization in the House bill was \$180.7 million and the total authorization in the Senate amendment was \$490.2 million. The conference substitute authorizes \$205.2 million, with an additional authorization of \$110 million in the event that the Congress does not reauthorize the programs prior to the end of fiscal year 1976.

Extension of Medical Libraries Programs

The House bill extended these programs through fiscal year 1976.

The Senate amendment extended them through fiscal year 1978.

The conference substitute extends the programs through 1976, except that provision is made for automatic extension through 1977, at the authorization levels for 1976, unless the Congress repeals the authority for such extension.

Supergrade Positions

The Senate amendment contained a provision, not included in the House bill, which authorized the Secretary to provide 16 supergrade positions for the National Center for Health Statistics, 29 for the National Center for Health Services Research, and 10 for the National Library of Medicine.

The conference substitute follows the House bill.

Structure

The House bill transferred existing sections 301 and 303 to Title IV of the Public Health Service Act, moved section 302 of the Act into the Controlled Substances Act and the Community Mental Health Centers Act, and created a new Part A in Title III of the Public Health Service Act.

The Senate amendment retained the present location of the existing sections 301, 302, and 303, and revised sections 304 and 305.

The conference substitute contains a compromise provision which (1) retains the present location of sections 301, 302, and 303, (2) rewrites sections 304 and 305 and adds to part A of title III of the Public Health Service Act new sections 306, 308, 309, and 310 to part B of such title, (4) shifts existing sections 310A and 310B to title II of such Act, (5) redesignates existing section 308 as section 307, and (6) repeals section 307, the authorization for which expired in fiscal year 1964, and sections 312, 312a, 313, and 315, the substance of which are included in the new provisions added to part A of such title III.

HARLEY O. STAGGERS,
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Managers on the Part of the Senate.

AMENDING THE INTERNATIONAL DEVELOPMENT ASSOCIATION ACT

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1209 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1209

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. 15465) to provide for increased participation by the United States in the International Development Association and to permit United States citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad. 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 Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 15465, the

Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 2665, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 15465 as passed by the House.

The SPEAKER. The gentleman from Texas is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Tennessee (Mr. QUILLLEN) pending which I yield myself such time as I may consume.

Mr. YOUNG of Texas. Mr. Speaker, House Resolution 1209 provides for an open rule with 1 hour of general debate on H.R. 15465, a bill amending the International Development Association Act.

House Resolution 1209 also provides that after the passage of H.R. 15465, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 2665 and it shall then be in order in the House to move to strike out all after the enacting clause of S. 2665 and insert in lieu thereof the provisions contained in H.R. 15465 as passed by the House.

H.R. 15465 authorizes the Secretary of the Treasury to agree, on behalf of the United States, to pay IDA \$1.5 billion in four annual installments of \$375 million. The bill authorizes the appropriation, without fiscal year limitation, of such funds as may be necessary for the payment.

H.R. 15465 also amends the Par Value Modification Act to permit American citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad on December 31, 1974, or at any time prior to that date that the President finds and reports to Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the U.S. international monetary position.

Mr. Speaker, I urge the adoption of House Resolution 1209 in order that we may discuss, debate, and pass H.R. 15465.

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

Mr. YOUNG of Texas. Mr. Speaker, I am happy to yield to the gentleman from Iowa.

Mr. GROSS. I believe the gentleman stated that this bill on gold involves \$1.5 billion, is that correct?

Mr. YOUNG of Texas. \$1.5 billion, yes sir.

Mr. Speaker, I yield to the gentleman from Tennessee.

Mr. YOUNG of Texas. Mr. Speaker, I yield to the gentleman from Tennessee.

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

Mr. Speaker, as noted, House Resolution 1209 provides for the consideration of H.R. 15465, the International Development Association Act Amendments. This is an open rule with 1 hour of general debate, making it in order to insert the House-passed language in the Senate bill. There are no waivers of points of order in this rule.

This bill does two things. First, it authorizes \$1,500,000,000 as the U.S. con-

tribution to the International Development Association—IDA.

Second, this bill would allow Americans to buy, hold, or sell gold in the United States or abroad as of December 31, 1974, or anytime before that date that the President reports such action would have no adverse impact on the U.S. international monetary position.

With regard to the IDA authorization, this bill provides that the \$1,500,000,000 would be paid in four annual installments of \$375,000,000. In this round of contributions, the U.S. share of the total has been reduced from 40 percent to 33 1/3 percent. IDA's standard credit terms involve a 50-year maturity period, including a 10-year grace period. One percent of principal is repayable in each year of the second 10 years and 3 percent in each year of the remaining 30 years. An annual service charge of three-fourths of 1 percent is charged to meet IDA's administrative costs. There is no interest charge.

With regard to the provision allowing private ownership of gold, it is notable that present law already allows the President to lift gold ownership restrictions at any time. This bill would automatically lift gold ownership restrictions as of December 31, 1974, if the President does not lift them before. The committee report indicates that the Federal Reserve and the Secretary of the Treasury do not recommend enactment of this provision. However, the Secretary has also stated that he hopes to recommend ending restrictions by the end of the year.

Mr. Speaker, at this time I yield 5 minutes to the distinguished gentleman from Iowa (Mr. Gross).

Mr. GROSS. Mr. Speaker, here we are again being asked to play the sucker role for the international giveaway artists who have a track record without peer anywhere in the world for spewing out the wealth of this Nation.

Here we are again, right where we were on January 23, 1974, when this House, by a vote of 155 to 248, a margin of 93 votes, soundly defeated the same legislation to provide a handout of \$1.5 billion to the International Development Association.

Back in January the House gave a resounding "no" to the internationalist fleecers who wanted to assault once again the inflation and debt-ridden American taxpayer to provide yet another subsidy for foreigners.

Mr. Speaker, I ask my colleagues whether the economic and financial and employment situation here at home is any better today than it was on January 23 of this same year.

This bill provides for the borrowing of \$1.5 billion by the United States to give to IDA, which in turn forks it over to foreign governments without interest charges for what are normally 50-year periods. These foreign governments, however, turn right around and lend it out to their citizens at hefty profit rates.

Meanwhile, Mr. Speaker, Mr. and Mrs. Average American are backed up against the wall here at home, unable to obtain loans for any purpose at less than astronomical rates, partly because foolish and ill-conceived multi-billion-dollar

foreign giveaway programs such as this one have dried up our money supply.

Even the most prestigious of domestic business concerns, the most favored customers of the banking community, cannot obtain loans at less than 11 1/4 percent, and, who knows, by this time today the prime interest rate may have already reached 12 percent.

Yet we are being asked today to provide \$1.5 billion of the American taxpayers' hard-earned money to give away to foreigners at no interest rate whatever. It is not only fundamentally wrong, it is utterly outrageous.

Some of the proponents of this legislation like to boast that IDA has never had a default.

Bless their hearts, when a bank making 50-year loans with 10-year grace periods has been in business only 14 years, I guess it has not had a default.

Mr. Speaker, I would like to ask any of the supporters of this bill whether the United States is eligible for a loan, interest free, and for 50 years, that could be used to help our own inflation-ravaged citizens.

I would like one of the supporters of this massive giveaway program to list for me the places in Iowa, Illinois, Michigan, Texas, Wisconsin, California, Georgia, or Pennsylvania where a businessman or a citizen can obtain what amounts to a virtually free gift of money such as is provided by the International Development Association.

Can that be done in Texas, I might ask the gentleman from Texas (Mr. PATMAN)?

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

Mr. GROSS. No; not at this time.

Mr. Speaker, I want to know where the people of my district can go to find that favored treatment, and I want to include Ohio in that. I want to know where the people in my district can go to obtain this sort of favored financial treatment. I will stand here, I know, until the snow flies or hell freezes over without receiving an intelligent answer from the supporters of this bill.

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

Mr. GROSS. No, I will not yield.

The SPEAKER. The gentleman from Iowa declines to yield.

Mr. GROSS. Mr. Speaker, what I would like to see for a change is a day set aside in this Chamber for the benefit of the citizens of the United States of America. I am not asking for a handout for the American people, but I am sick and tired of seeing them continually raided for handouts for foreigners around the globe.

We have just had the spectacle of the President of the United States journeying through the Mideast, handing out nuclear powerplants. India, allegedly a great peace-loving nation, has just exploded a nuclear bomb which they were able to make because the International Development Association and other foreign giveaway outfits have propped up and subsidized that government so heavily for years that it was able to build an atomic bomb with one hand while holding the other outstretched and beseeching alms.

The other theme so favored by the supporters of this bill is that unless we continue to bleed our citizens white to finance IDA, the so-called developing nations which control great mineral wealth will look with disfavor upon us and we will be left out in the cold.

They do not like to dwell upon the unpleasant fact that we have poured out \$260 billion in foreign aid in herculean efforts to cultivate friendship and establish a favorable climate in these countries so that private investors could go in and invest their money in the production of raw materials.

Anyone who has eyes and ears knows what has happened. After nearly three decades in pursuit of this ill-conceived dream, we have fewer friends around the globe than we did when we started. Remember, if you will, the scenes of hilarity and gleeful revenge in the United Nations when these so-called developing nations had a chance to show their hatred of this country by voting against our efforts to keep Free China in that body. Those are the friends we have won through such programs as the International Development Association.

Mr. Speaker, the debt of this Nation is greater than the combined debts of all the other countries of the world. Our net public and private debt is more than \$2,500,000,000,000. Our national debt has increased by about one-fifth in the last 4 years and we are going into debt by perhaps another \$15 billion this year.

Our people are benumbed by sweeping inflation and double digit inflation that is tearing at the very fabric of the land. They cannot obtain loans to build homes for themselves, yet we have the spectacle here today of their House of Representatives considering legislation which would force them to provide \$1.5 billion to be "loaned" to other nations at no interest rate and for up to 50 years.

Mr. Speaker, it is shameful that this bill was ever brought before us in the first place. It should be rejected out of hand and by such a one-sided vote that the entire world will know that the generosity of the American people—unparalleled in recorded history—has been stretched, and cruelly stretched, to the breaking point.

It is time for this House to consider the rights of American working men and women. And it is time to consider the rights of their children who will have to pay the enormous bills that will come due as a result of our reckless attempts to be everything to everyone, everywhere with money we do not have and cannot afford to borrow.

The SPEAKER. The time of the gentleman from Iowa (Mr. Gross) has expired.

Mr. GROSS. Mr. Speaker, I will ask the gentleman from Tennessee (Mr. Quillen) if I may have 3 additional minutes.

Mr. QUILLEN. I am sorry, Mr. Speaker, but all the time is completely allotted.

I will yield the gentleman 1 additional minute.

Mr. GROSS. Mr. Speaker, I thank the gentleman.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Pennsylvania (Mr. Dent).

Mr. DENT. Mr. Speaker, and my fellow Members, I do not take this time to discuss the rule, that is a matter for the Committee on Rules, and one that I usually support. I would rather debate the proposition before the House on its merits rather than on the question of whether we should listen to the arguments.

First of all, let me say that I want to talk a few minutes about what is very important to us relative to this legislation. I believe we have more handout agencies in this Government than we have hand-in agencies. Most of the hand-in in this country into the Treasury comes from the taxpayers, and most of the handouts go through our Government agencies.

It is interesting to note that in the past 20 years, while America's gross national product grew to \$1,050,000,000,000, the total output of the rest of the world tripled to \$2,776,000,000,000, reducing the U.S. share of the world's goods and services from 37 percent to less than 28 percent of the world's total, exports from 18 to 13 percent, and gold and other monetary reserves from 42 to 8 percent.

As I understand it, the great gimmick in this legislation is that after all the gold is gone, a little carrot is being held out to the Members of the Congress that they can buy their own gold. Is that not a nice thing when we have dropped from 42d in the world to 8th in the world in our supply of gold?

While our industrial production rose 89 percent from 1960 to 1973—and I want the Members to pay a little attention to these figures, because this is the real guts of this legislation—the legislation we had up yesterday and the legislation that we will have next week when we come back—Japan's rose 400 percent; France, 117 percent; Italy, 105 percent; and Germany, 98 percent.

Some of the growth is attributable to postwar rehabilitation and rebuilding by the United States of America to the tune of \$34,175,000,000; most of it, however, is a result of direct and increasing financial involvement of the United States in foreign economies in more recent times.

Since 1960, we have allocated \$56,087,000,000 in investment funds to foreign countries; \$30,468,000,000 in shipping on foreign ships and airlines—and everybody knows that unless this Government within a very short space of time subsidizes the two trunk carriers in this country they will go down the drain the same as the railroads, and the same as our maritime industry.

So the more goods we buy and more money we spend for defense, where we apparently have no lack of funding, it is absolutely not worth the paper that the orders are written on unless our transportation facilities in the air, on the land, and on the sea are brought up to the capability that they must have to preserve this country of ours.

We have given \$87,845,000,000 in military aid alone—in 20 years, I am talking about—\$71,268,000,000 in economic aid;

and we have paid out \$45,191,000,000 in income to foreign investors. While these dollar outflows have been in part counterbalanced by similar receipts from abroad, the cumulative result of the international financial flow has been a net loss of \$78,543,000,000 since 1960, which is 13 years.

For years this country had a trading surplus. In 1962 our trade surplus was \$5 billion. That gave us the initiative for passing the infamous and disastrous Kennedy round. By 1970 this was reduced to \$2 billion. The most devastating effect, however, came in 1972 when we registered a deficit of \$7 billion. Within 2 years our balance of trade had been seriously reversed, and there is little to indicate, despite current predictions, that the deficit spiral has ceased. In fact, it is likely to grow worse.

The SPEAKER. The time of the gentleman has expired.

Mr. YOUNG of Texas. Mr. Speaker, I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. DENT. For the month of May of this year the deficit is \$799 million in a trade deficit. Purposes for trading have changed considerably, and an overriding consideration in the international movement of goods to this country is not necessity, not national interest, but trade for profit.

Yesterday we were told by the chairman of the committee that Eximbank had earned \$9 billion for American business but the seed money for that \$9 billion was \$20 billion out of the pockets of the taxpayers. Nations cannot survive unless they have national income, not personal income, because the very persons and the organizations that earned this \$9 billion paid less taxes into the Treasury of the United States than the individual earning \$10,000 a year.

With profit as a motive, the Nation loses in the way of jobs, stability, independence, and progress. No one can gainsay that statement or doubt it because when we talk about creating 800,000 jobs by Eximbank and creating a trade surplus by IDA and all of the rest of the development funds that we have in this country, show them to me; show me where these 800,000 jobs are. Nail them down for me. Show me some plants that make money. We pay for them. We pay for them. We increase the price of every product in the United States by taking taxes to put into foreign countries to build facilities to make products that compete in the international market, and many times the whole motive is profit on the part of the American, not the national conglomerates.

The SPEAKER. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. Anderson).

Mr. ANDERSON of Illinois. Mr. Speaker, I rise in support of this rule, and I certainly hope that it will be adopted shortly so that the House can go about the very important business of reversing what I regard as the highly unfortunate action that was taken in this Chamber on last January when a similar measure was

brought up. However, this measure does differ from the bill defeated in January in spreading out over four installments and for 4 years rather than 3 years the contribution that we would make to the fourth annual replenishment fund of the International Development Association.

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

Mr. ANDERSON of Illinois. I am pleased to yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding, because I want to respond to a question of the gentleman from Iowa when he asked if the citizens of Iowa or Ohio could qualify for loans from IDA to which the answer is "No," because people in those States have a per capita income of more than \$375 per year thank goodness. As a matter of fact, 70 percent of all of the loans IDA has made went to countries where the average annual income of its citizens was \$120 a year or less, if you can imagine a country whose citizens earn so little.

Mr. ANDERSON of Illinois. I think the gentleman makes a very important point, and it demonstrates why we are not, as the gentleman from Iowa said, adopting a sucker role for international giveaways in supporting this proposal. Eighty percent of the credits that are extended by the International Development Association go to countries with a per capita income of around \$200 a year. That amounts to a per capita income of 55 cents a day for the people in those countries. To suggest that the United States, with a \$1,400,000,000,000 economy should not cooperate to this extent in easing the plight of the victims of what the President of the World Bank has correctly described as the victims of absolute poverty, the kind of grinding, unbelievable poverty that we in this Chamber simply cannot even begin to imagine is unthinkable.

That is what we are trying to do. That is the kind of human misery and suffering that we are trying to alleviate through cooperating in this program.

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

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

Mr. GROSS. Mr. Speaker, did any International Development Association money go to India?

Mr. ANDERSON of Illinois. In the last 5 years, yes, some of the money has gone to India. I regret as much as anyone else that India saw fit to use its limited resources to explode an atomic device while it needs this year, I am told, 5 million tons of food grains. But that fact alone must not be allowed to obscure our vision completely as to what our responsibility morally and politically I think must be in this very critical moment of world history.

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

Mr. ANDERSON of Illinois. I yield to the gentleman from Illinois.

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

Mr. Speaker, I join the gentleman in the well in urging adoption of at least

the rule. I believe the bill we will have before us is an improvement on the bill which was rejected earlier.

I commend the gentleman for emphasizing the major points that must be stressed in understanding the goal on this legislation.

I urge adoption of the rule and again commend the gentleman from Illinois for his positive viewpoint.

Mr. ANDERSON of Illinois. I appreciate very much the gentleman's contribution.

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

Mr. ANDERSON of Illinois. I yield to the gentleman from Florida (Mr. FREY).

Mr. FREY. Mr. Speaker, I thank the gentleman from Illinois for yielding.

Mr. Speaker, no matter how we feel about this, I think we ought to debate this in the House and let the House work its will.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman. Mr. Speaker, the gentleman has pointed out that most of this money has gone to countries with a very low per capita income. Of course, this is the reason why Congress long ago launched the foreign aid program, bilateral and multilateral, to try to help these nations.

What has disillusioned most of us is the fact that the money has not gone to these poor people.

Mr. ANDERSON of Illinois. Mr. Speaker, there is a measure of truth in what the gentleman from Maryland says. There have been some abuses, but as recently as 1966 about 65 percent of IDA moneys were going into things such as power and transportation, but at the present time that has been reduced so that in fiscal year 1973 those particular areas went down to 29 percent, and the emphasis is now being made on the so-called human resource sectors of education and agriculture.

Let me in the short time I have remaining, because it does address itself to a very relevant point that the gentleman made, say that in fiscal year 1973, 41 percent, almost half of IDA funds, went to education and agricultural programs. No one can deny those are the kinds of projects that are going to be meaningful in helping these people in these countries in the Sahel area of Africa and in Bangladesh and in other poverty stricken parts of the world to somehow raise that abysmally low standard of living to something that at least approaches the subsistence level.

I urge the Members to adopt the rule so we can debate the bill under a perfectly open rule, and I am sure amendments will be offered, but it is important that we not take a backward step and that we not relinquish what must be the continuing role of U.S. leadership. We cannot encourage other countries to adopt economic and monetary reform if we do not adopt this measure today.

Mr. YOUNG of Texas. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. PIKE).

Mr. PIKE. Mr. Speaker, I thank the gentleman from Texas for yielding.

At the risk of throwing a splash of cold water into this delightful proceeding thus far, I would like to say I have in the past voted in favor of IDA and I am in favor of the concept of private ownership of gold, but I am going to vote against this rule because I do not like the lumping of these two things together.

I do not see any reason on Earth why these two unrelated things should have been lumped together. I do not question the motives of anybody in this body whatsoever, but it seems rather obvious to me that this is a classic example of the kind of logrolling which we should not be participating in in this body. We have a great big conservative vote catcher in here and a great big liberal vote catcher combined in here and I think this rule is wrong.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, what constituent in each of our districts, faced with the problem of needing money, would not love the terms under which this particular agency, IDA, operates. Fifty years to repay, no interest, a service charge of 1 percent a year.

How about the thousands of cattle farmers right now who are up against the wall; and the poultry farmers in my district some near bankruptcy; that young couple somewhere in vain trying to find a decent interest rate from their local bank or their local savings and loan institution, so they can buy a home? Which one of our constituents would not love this kind of loan availability right here in our own United States of America. Yet we are being asked to vote away over a 4-year period \$375 million each year for a grand total of a billion and a half dollars, right out of the taxpayers' pockets.

This is not the only generous program of this nature. The gentleman from Illinois (Mr. ANDERSON) would characterize us as selfish if we do not agree to distribute our largess all over the world; but this is not the only program. This is one of many programs that Uncle Sam is paying for, as the gentleman from Iowa (Mr. GROSS) says, often assuming the role of Uncle Sucker.

The administration announced the other day the desire to save \$5 billion in an effort to curb inflation. They want to cut the budget by that amount. We can help to fight inflation today to the tune of \$1.5 billion that can be saved, by voting against this bill.

I would like to say a word to my conservative colleagues who are so enamored of gold, as were the Spaniards of old, those who see on the horizon the gleam of streets paved with gold. You are trading off your principles totally without any gain. You are making a great mistake. If this bill and other bills like it pass, we all will need our gold because our money will be worthless. Indeed, our currency is worth a lot less today than it was only a few years ago, just because of this kind of legislation and this kind

of uncontrolled spending in this Congress.

The voters in our districts are going to watch each of us; that farmer, that poultryman, that young couple who needs help to buy a home is going to watch what we do here. Only 155 Members voted for this, and 248 against it last January. "Will you love me in July as you did in January?"

In closing I am indebted to the late William Jennings Bryan, whom I paraphrase; "Do not crucify the taxpayers of your district or the people of this Nation on a cross of gold." Vote against this bill.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Texas. Mr. Speaker, I yield 1 minute to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Speaker, the gentleman from Illinois (Mr. ANDERSON) claims the purpose of this IDA, is to help the poor people. We all sympathize with that. He admits the regrettable performance of India, but sees a new optimism in the way they have been spending their money recently.

Let me point out that nearly half the money loaned out by IDA in the last fiscal year for which we have a report went to India. Now, in addition to IDA loans, India has gotten about \$7 billion of aid from the United States bilaterally. At the same time India has spent in the last 5 years just under \$10 billion for national defense and has exploded a nuclear bomb. In contrast here are the pitiful sums of money it has spent on helping its poor people: \$313 million for housing, \$392 million for family planning, \$1.1 billion for education and \$4.3 billion for agriculture, and that is the kind of money that is going to help them.

Our aid money has been squandered and diverted from any purpose to help the poor and that is why so many have turned against it.

I thus oppose the enormous increase of 56 percent over the U.S. contribution of \$960 million to the third replenishment of IDA. This bill would authorize \$1.5 billion in U.S. contributions to IDA for the fourth replenishment. Forty-five percent of total IDA loans through fiscal year 1973—\$2.3 billion—have gone to India. In fiscal year 1973, India received \$494 million out of total IDA loans of \$1.5 billion.

But India has exploded a nuclear bomb and made nuclear agreements for "peaceful" cooperation with Brazil, Bangladesh, and Argentina—in spite of the late President Peron's long-stated desire to make Argentina a nuclear power.

IDA loans are subsidizing India's irresponsible nuclear policies and its wasteful defense budget.

Even if IDA aid were cut off to India—\$500 million in fiscal year 1973—why could not India cut back its wasteful defense spending and nuclear weapons spending to replace those expenditures. The India defense budget in 1974 is estimated to be over \$2 billion.

The IDA loans are three-fourths percent—essentially no interest—50-year loans, including a 10-year grace period. Thus, recipients have little incentive to use these funds most efficiently.

Recipients often relend these loans at market interest rates to their people—12 to 20 percent. Thus, IDA loans subsidize national government expenditures with little evidence that IDA aid, even if it goes for agriculture and education, is reaching small farmers and the rural poor. Where is the evidence?

There is not assurance that IDA loans are adding to funds allocated to development rather than simply replacing domestic resources that then—as in India's case—go to develop nuclear weapons or for defense expenditures.

India is the only country outside of the Warsaw Pact which manufactures—by license—the Soviet Mig-21 and India is the second largest third world recipient of Soviet arms.

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

Mr. QUILLEN. Mr. Speaker, I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, I rise in support of the rule and of the bill.

The purpose and the amount of the proposed participation by the United States in the replenishment of the International Development Association has been criticized on various grounds.

I believe that the realities of our economic situation and our economic position in the world argue very strongly in favor of this legislation, not against it. In the last few years we have seen our balance of trade go into a deficit for the first time in 70 years, then back to a surplus and now back to a deficit again. This demonstrates to me that our international economic decisions must not be based on shortrun conditions. We must deal with the longrun issues. It also demonstrates the reality of the economic interdependence of the world today.

It is clear that we need the raw materials supplied by the developing countries just as they need our products, our expertise and our capital. We have not had a balance-of-trade deficit with the less developed countries. The economic well-being of the United States depends on the peaceful and steady economic development of the poor nations of the world. As their economies develop, they will be able to afford increased imports of U.S. products and services.

I believe that peace and stability in this interdependent world depend on multinational efforts—of which H.R. 15465 is the essential component—to assist the economic development of the poor nations of the world, to establish an open, international trade system, and to assure an effective international monetary framework. The United States must do its fair share to insure that the international economic system, upon which our prosperity depends, is maintained and developed.

More directly, the IDA also has specific, short-run financial benefits to the United States, benefits which give a posi-

tive impact to our balance of payments. Historically almost 60 percent of the U.S. contribution returns to the United States through procurement of goods and services from the United States connected with IDA loan projects. In addition, the U.S. contribution returns indirectly to the United States as countries receiving IDA credits increase their consumption of U.S. goods and their demand for U.S. services generally.

It is economic inequality that is the time bomb of the future. The structure of peace is strengthened by the activities of IDA, whose credits contribute directly to the reduction of economic inequality. A farmer who now has access to the tools and the fertilizers necessary to improve his land is gaining a stake in the future, a stake he does not want to hazard by political instability, or armed conflict.

For these reasons, Mr. Speaker, I recommend this rule and this bill strongly to my colleagues and urge that we support both of them.

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

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. CEDERBERG).

Mr. CEDERBERG. Mr. Speaker, I rise in support of the rule and I rise in support of IDA. I do it because I am thoroughly convinced that it is in the long-term best interests of my country. I have thought about this subject for a long, long time. I have to confess that after having made some studies, after having visited many areas of the world, that I have come to the conclusion that we as a nation of 220 million people, living in a world of about 4 billion people, must recognize that we have a part to play in seeing that some of these underdeveloped nations of the world have an opportunity to develop themselves and their resources as we have had in the past.

It is not a politically popular position to take. I cannot explain it to my constituents, but as we are here, sometimes we have to take positions which we cannot really explain in the way we would like to all of our constituents.

I have listened to the debate, and I realize that as far as I am concerned, it probably would be a politically popular position to take to be against it, but I am saying to the Members that as this world develops these underdeveloped nations are going to demand a right, a part in the development of their own economies, that it is in the long term best interests of the people of the United States, in cooperation with other countries, to participate in this assistance and this development.

Oh, we are going to make some mistakes along the road. We are going to have some projects and some things that are not going to turn out the way we would like to have them turn out. I say it again, I am convinced that in spite of the political ramifications involved, as we would look down the road years hence, that we would be making a serious mistake if we as a nation turned against this

cooperative effort in behalf of the underdeveloped nations of this world. I believe with our technology, our ability to give some assistance, we can give them some hope, and hope that they need and hope that will make for some stability in this world.

If there is ever a time when we need some stability, when we need an opportunity for peace, it is now. It is not later. Sometimes we have a tendency to wait until a crisis develops; then we rush in and pour a lot of effort in the crisis which costs us millions of dollars.

Mr. Speaker, I firmly believe, as I said earlier, that this is an investment for peace and stability in the world. That is why I am for it.

Mr. QUILLENN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman from Tennessee yielding these few moments to me to speak in support of this rule and in support of the bill.

What is really involved in this discussion today? We cannot avoid the fact that some of the money that has been loaned out has not been loaned wisely. Some of it went to countries which I might not want to see money go to, but what we cannot avoid is the fact that the United States cannot retreat from the position of world leadership. Whether we like it or not, whether we enjoy the burden of world leadership or not for the Western world, we bear that burden. Even though the burden may become onerous and we might want to lay it down and turn our backs on it, we still must maintain our stance.

I am happy that we have these multi-national lending institutions, because we simply put up the dollars, as we are talking about doing today, and in IDA, there are going to be at least three more dollars put up by other countries, so the burden of helping underdeveloped countries is being removed from our shoulders entirely and is being shared by the rest of the world.

Furthermore, by the use of the multi-national lending institution as a vehicle, a discipline can be exacted from the borrowing countries which we as a bilateral lending country cannot exact. Multi-national lending institutions can demand that a recipient country practice good fiscal and monetary policies.

The question has been asked, why cannot we in the United States borrow from IDA? If we could get a little more fiscal and monetary discipline in this country, I would like to see that come about. This body itself needs a little discipline as far as good fiscal policies and putting pressure on what we do to avoid improper monetary policies.

I say to the Members of the House that we are going to make a critical mistake if we attempt to retreat in our position of world leadership, in defense of the Western World and the great concepts of democracy and individual freedom we now hold in this country. We cannot retreat.

I would urge each Member to support this rule and let us hear the merits of

this program debated fully, and not kill the program before we get to the merits.

Mr. BINGHAM. I thank the gentleman for yielding.

I would just like to congratulate the gentleman for putting this matter in perspective, and I would like to congratulate the gentleman from Michigan (Mr. CEDERBERG) for one of the finest statements I have heard.

It is so easy to criticize these programs. It is so easy to point out how this or that may have been a mistake, but in the larger perspective it is a matter of whether we want to continue to be a leading nation in the world or not.

Mr. BLACKBURN. I congratulate the gentleman for his comments. It is not a question of whether we want to be the leader in the Western World. The truth of the matter is that we are the leader of the Western World, and we cannot relinquish that position.

Mr. QUILLENN. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Speaker, I rise in opposition to this legislation for IDA—the International Development Association. The Treasury notes which are being sold by the U.S. Department of the Treasury today are going at 8.4 percent. The prime interest rate is now 11.8 percent. That is the rate at which banks loan money to their best and most reliable customers.

It is said that we are departing from our leadership role. Over the past 27 years we have committed over \$266 billion in foreign aid to the countries throughout the world. The taxpayer of the United States will be called upon to pay for this loan of \$1.5 billion by Treasury notes or by Government borrowing at no less than 8.4 percent—not only the loan, but also the interest.

We are loaning funds to governments where there are no reports of good projects being developed. No specific instances are noted.

Last year we loaned to the Sudan \$11 million for agricultural development. We gave them \$2.2 million in grants for refugee assistance, and a \$2.1 million long-term, low-interest loan for the purchase of 20,000 tons of U.S. wheat. In addition, over the past years we have loaned this country, through the soft loan window, \$60.5 million.

What did the Sudan do for us? Our Ambassador was assassinated there by the Palestinians.

The assassins were sentenced to life, but the Government of the Sudan turned them loose, gave them their freedom. Yet we go on giving aid to this country.

This is what thanks we get for the loans we give to other countries throughout the world. I say that they should be at least grateful to us for the loans that we have given them over the years.

How in God's name can we continue to borrow money at 8.4 percent interest and actually give it to them for a period of 50 years?

According to my interpretation of this legislation, the funds so lent to these undeveloped countries are repayable over a 50-year period and carry no interest.

Just this year this House passed a bill giving Swaziland, Bangladesh, and other countries \$150 million in disaster funds. This was to take care of the undernourished. I supported this measure. I shall vote for such other measures as are necessary, but this Nation of ours cannot continue solvent, borrowing funds at 8.4 percent or more, and then lending the money at no interest for a period of 50 years.

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

Mr. CARTER. I am happy to yield to the gentleman from Pennsylvania.

Mr. DENT. The gentleman's predecessor at the stand said we could not give up our leadership role.

Let me just tell the gentleman something. Great Britain said it could not give up the leadership role, and it had the leadership role, taking things from nations and not giving. They lasted for 600 years, trying to be the leaders, and they took from other nations.

We are giving to other nations, and we have not lasted, nor will we last 200 years, as the leaders.

Mr. CARTER. Mr. Speaker, I want to say to my friends today that we are in an election year. This year we are going to have to tell the GI's of our country that they must borrow money at 7½ percent while we are giving it to foreign countries at no rate of interest.

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

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

Mr. GROSS. Mr. Speaker, I commend the gentleman for his statement.

The gentleman from Georgia (Mr. BLACKBURN) spoke of the necessity for passing this legislation in order to retain our world leadership, whatever that is. I wonder what the gentleman from Georgia (Mr. BLACKBURN) was thinking about less than 6 months ago when he voted against virtually the same bill.

Mr. CARTER. I think that he was caught by the "golden hooker."

Mr. GROSS. He apparently was not very much worried about world leadership at that time.

Mr. CARTER. Mr. Speaker, I must remind my friend, the gentleman from Georgia, that all that glitters is not gold, and at this point he will have to explain to the voters of his district why he is voting to give this money away.

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

Mr. CARTER. I am not yielding to the gentleman.

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman's courtesy.

Mr. CARTER. Mr. Speaker, the Members of this House will have to tell the voters of this country why they are giving money away at no interest rate and at the same time the veterans of Vietnam are being denied home loans; loans to build their houses, or if money is available they are being required to pay 7.5 percent. I say that this is an untenable position for any candidate. I strongly oppose this legislation.

Mr. QUILLENN. Mr. Speaker, I yield 3

minutes to the distinguished gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Speaker, I wish to point out to the Members of the House that the gentleman from Georgia (Mr. BLACKBURN) certainly, as we all know, needs nobody to indicate why he has had second thoughts on any subject. However, I would like, in less than 3 minutes, to give the Members my idea as to why the gentleman from Georgia (Mr. BLACKBURN) and many other Members, I hope, on this floor today will give second thoughts to this subject.

We have heard many arguments about our constituencies and the high interest rates and what we are going to say to our constituents back home. Let me point out that this is what this Congressman is going to tell them: This Congressman is going to tell them he voted, with great pride, for IDA, not because, as the gentleman from Illinois has said, 80 percent of the money we are voting today is going to countries which have a per capita income of \$200, but I have been told that 80 percent of this money is going to countries whose per capita total income is \$100.

Mr. Speaker, I ask each and every one of the Members to consider this. I would love to tell this to the gentleman from Iowa (Mr. GROSS), whom I have heard speak on this subject time after time: We must realize and I think we should tell the Members of this body that in the great Third District of Iowa, which the gentleman represents, the per capita income is more than \$2,800. According to the Census Bureau, it is \$2,873.

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

Mr. J. WILLIAM STANTON. I am not going to yield to the gentleman.

Mr. Speaker, that is 28 times \$100. That is tantamount to a comparison of the salary of each and every one of us at \$42,500, comparing it to some multimillionaire in this country who made \$1,190,000.

I will tell the Members something else that I am going to tell my constituents, and I will tell this to my good friend from Kentucky (Mr. CARTER), as to why I am going to vote for this today.

We pay 7½ percent, 8 percent, 9 percent today. I pay it, all the Members pay it, and all of our constituents pay it to buy houses, to buy automobiles, and to buy clothing. But we are contributing this money today, not to somebody for the purpose of buying a house, but to somebody who has no cover over that house. It is true we are paying this and we are giving it away at cheap interest rates, but the fact is we are giving it to people who do not have enough food to put in their stomachs. Whatever the interest rates are, maybe we are paying for it.

I will say for the benefit of the gentleman from Maryland (Mr. LONG) that I know the gentleman is a great friend of Israel, and I know we have contributed to India, and so forth. But I want us to remember that the little country of Israel, out of compassion, along with Spain, and these smaller countries are

contributing \$66 million to the underprivileged people in these other countries. I hope that the gentleman from Maryland has second thoughts today, because we must reverse the trend.

Many of us are going to fight for this, but we should do it under compassion. We have provided for this under the World Bank. There is no extra overhead connected with this. We can contribute this money to the 80 percent of those countries which have a per capita income of \$100 or less.

In closing, Mr. Speaker, let me make this remark before we vote on this, because the gentleman from Pennsylvania brought up the subject of our per capita income and our gross national product:

You know, we are under a false assumption—

The SPEAKER. The time of the gentleman has expired.

Mr. QUILLENN. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Speaker, let me close by saying this: We got onto the subject of the gross national product, and the multilateral institutions helping the world, and we are under the false assumption that we are contributing so much more than everybody else, and we are, in dollar amounts. But, think about this: Of the 16 leading developed countries in the world who contribute to the underdeveloped countries, where does the United States stand insofar as the percentage of gross national product and per-capita contributions? Are we the first of these 16 countries? Are we the 8th, the 10th? Ladies and gentlemen, we rank 14 out of the 16 developed countries who contribute multilaterally to the poor countries of this world. This is terms of our official development assistance as a percentage of our gross national product.

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

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PATMAN. 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. 15465) to provide for increased participation by the United States in the International Development Association and to permit U.S. citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. PATMAN).

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. 15465, with Mr. BRADEMAS in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. PATMAN) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. WINNALL) will be recognized for 30 minutes.

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

Mr. PATMAN. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, the bill before us today is in part similar to the bill this House considered in January.

The first section of the bill would authorize the appropriation of a total of \$1.5 billion in four equal installments for the fourth replenishment of the International Development Association. The essential difference between this provision and that which the House considered in January is that the legislation considered in January provided for \$1.5 billion in three installments, whereas this would provide the funds in four equal installments.

Mr. Chairman, it should be mentioned that the other body has recently passed legislation identical to this provision contained in section 1 of H.R. 15465.

The second provision of the bill before us provides that U.S. citizens, by no later than December 31, 1974, shall have the right to purchase, hold, sell or otherwise deal with gold in the United States or abroad. This provision again is very similar to that which the other body has passed as part of their IDA legislation, except for the fact that the provision in the other body would mandate the right of citizens to buy, sell, hold, or otherwise deal with gold by no later than September 1, 1974.

Let me mention first that the gold provision of the bill before us would do nothing more than treat gold as similar to any other commodity which can be bought and sold. Most countries throughout the world allow their citizens to buy, sell, or hold gold in any fashion or manner they so desire. Since gold is no longer used as a monetary base by the United States or any other country, there should be no reason why at this time U.S. citizens should not be allowed this right. When the Secretary of the Treasury, the Honorable William E. Simon, appeared before our committee recently he stated that even though having a date certain on which to mandate the right of U.S. citizens to deal with gold that it was his "own desire that I would be able to recommend that he—the President—do so, and that I will before the end of this year, unless there are damaging developments."

Mr. Chairman, all the Members I am sure will speak at length on the gold provision of this legislation. Let me conclude my observations on this section of the bill by stating that some will probably argue that this provision of the bill is nongermane to the basic legislation before us. My reply to this is that this provision of the bill is germane—gold legislation walls within the purview in

Jurisdiction of the House Committee on Banking and Currency, and it is a matter which has been considered at length by the committee over the past several years.

Mr. Chairman, now let me turn very briefly to the section of the bill provision authorization for the fourth replenishment for the International Development Association. Basically, the justification for the committee's action in recommending the approval of this legislation as concerns the International Development Association are as follows:

First, the U.S. contribution to IDA, as proposed here, will decrease from 40 percent of the total contribution, which ratio we maintain during the first three replenishments, to 33 1/3 in this fourth replenishment.

Second, these funds as part of our commitment to the developing world are utilized only in those countries which have a per capita income of below \$375 a year and in many instances below \$100 a year.

Third, and this is most important, Mr. Chairman, these developing countries which we seek to support through IDA are primary suppliers of many of the raw materials which our country imports, and at the same time these countries, which receive IDA funds, are an important market for U.S. Exports. Currently the IDA recipient countries import from the United States more than \$17 billion of goods and services a year, and this is rapidly growing. We have traditionally had a substantial surplus of trade with the more than 130 IDA recipient borrowing countries.

Finally, Mr. Chairman, you will recall that during the January floor debate on the IDA legislation the question of oil imports and gouging oil prices was brought up as part of the debate. Let me state that the Mideast countries and Venezuela are not recipients of IDA funds, and further, that these Mideast oil producing countries have and are pledging substantial amounts of funds—in billions of dollars—through the International Monetary Fund, the World Bank, and the Inter-American Development Bank out of their surpluses.

Mr. Chairman, I believe that basically this summarizes the legislation before us, and I hope the House adopts the bill and that it becomes a law. This bill is a giant step in the direction of permanent peace in the world and I will reserve the balance of my time at this point.

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

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

Mr. ANNUNZIO. I thank the distinguished chairman of the full committee for yielding.

Last January when the bill was defeated, the contribution rate—

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

Mr. PATMAN. Mr. Chairman, I yield myself 5 additional minutes.

Mr. ANNUNZIO. Mr. Chairman, if the gentleman will yield further, I understand the gentleman said the contribu-

tion rate under this bill when first considered was \$500 million for 3 years, and under the present bill before us today the rate is \$375 million for 4 years.

Mr. PATMAN. The gentleman is correct.

Mr. ANNUNZIO. I thank the gentleman from Texas. We have a balance of trade in our favor of more than \$17 billion from these developing countries. We need their raw materials and resources, and we must for humanitarian, social, and political resources, and to maintain our world leadership, support this legislation.

Mr. WIDNALL. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, I rise to speak in favor of the bill before us, H.R. 15465, which authorizes U.S. participation in the fourth replenishment of the International Development Association.

I want to emphasize one point at the outset: the proposed contribution is critical not only to this year's multilateral assistance effort, it is crucial to the very existence of IDA and to the U.S. posture in the world. In a large measure, the U.S. Congress was responsible for the establishment of IDA. The U.S. Government worked long and hard in the late 1950's to convince other nations that such an institution was needed. Since its inception in 1960, we have been IDA's chief backer and a primary source of financial support. The institution has more than lived up to the early faith we showed in it. IDA has become the single most important component in a cooperative, worldwide assistance effort. Through our leadership, the resources of developed nations in the free world have been enlisted through IDA to assist the underdeveloped nations so badly in need of help. It has acquired an enviable reputation for solid financial management, sound project selection, and successful implementation, in the world's poorest countries. In short, IDA works.

Unfortunately, unless we take prompt action, IDA will not be able to work much longer. The Association is dependent for its funding on the contributions of the United States and other industrialized countries. In the past decade, we have participated in three replenishments of IDA's resources. The funds for these contributions will be fully committed by July 1 of this year, and unless further resources are provided, IDA will be forced to cease making commitments for assistance.

Last fall, the United States negotiated an agreement with other donor countries for the fourth replenishment of IDA. Any objective observer would find that agreement very favorable to the United States: the United States succeeded in having its share in the total contribution reduced from 40 to 33 1/3 percent. The other donor countries are standing by this agreement despite being hit much harder than the United States by increased oil prices and inflation.

At the height of concern over the energy crisis, the House, in January, voted not to approve even this more

modest role in IDA's future. Spontaneous editorial comment throughout the country expressed a high level of dismay over this vote, reflecting not only the importance of IDA to the United States, but also the understanding that—if this legislation is not passed—IDA and our entire multilateral development effort, carefully nurtured for over two decades, may collapse. For if we cannot find the foresight and good sense to authorize the funds for our reduced future role in IDA, how can we expect the other donor countries—with their huge oil import bills—to participate?

The collapse of IDA would be a catastrophe for millions of people in the world's poorest nations. IDA is the most important source of development assistance available to countries with per capita income under \$375 per year. This includes the countries of Sahelian Africa, suffering now from one of the most devastating droughts in recorded history, the impoverished nations of Asia, and Latin America's poorest republics.

Compelling though the case may be, I do not want to argue for this legislation primarily on humanitarian grounds. Rather, I would like to point out why our contribution to IDA represents a good investment for the United States—why this legislation is vital to the self-interest of this country.

Everyone recognizes that the energy crisis has brought us to a critical juncture in world economic affairs. We are in greater danger of a wholesale slide toward confrontation and autarky than at any time since the Great Depression. In the face of this threat the United States has been pushing hard for international cooperation not only in the energy area but also in matters of trade, monetary policy, and international investment. Delicate negotiations are in progress, vital to our economic life. We cannot, however, seriously expect cooperation in these areas if we totally fail to do our share in the vital areas of development assistance. Our call, for instance, for an international response to the problems of natural resources supply will be viewed as narrowly self-serving if we are unwilling to assume our fair share in Christian aid to poor countries. Thus this legislation must be viewed as an indispensable part of our broader effort toward international economic cooperation.

IDA is also a good investment because it helps assure the United States of an adequate supply of raw materials. It is no secret that this country is increasingly dependent on the developing countries for vital raw materials necessary for our continued economic health, for raw materials to keep our industries going and thus jobs for thousands of our countrymen. The ability of these countries to supply our needs is to a considerable extent a function of their level of economic development. IDA helps to establish the infrastructure—the roads, power systems, communications networks, and ports—that allow a nation to become a useful supplier of raw materials.

IDA is a good economic investment for us because it helps increase the ability of developing countries to buy goods and services from us, not only in connection with IDA credits, but, more importantly, as their economic level grows, so does their demand for our exports. And we should remember, no matter how much in deficit our balance of trade has been over the past quarter century, we have always had a surplus with the developing countries; they have bought more from us than we have from them.

In a more general sense, IDA is a sound investment because it helps to alleviate the sort of pressures that could lead to a destructive confrontation between the rich nations and the poor. Dollars for peace are cheaper than dollars for war, as we well know. IDA is a manifest example that we care, that we are not narrowly self-serving. But its true value is that it works—IDA helps provide poor people with real hope, with real opportunities to earn a self-sustaining living with dignity.

Finally, IDA is a sound investment because it is an efficient multilateral institution. That means, first of all, that through IDA the burden of providing development assistance is spread among many countries. For the proposed fourth replenishment, every dollar contributed by the United States will elicit \$2 from other donors. Second, it means that our contribution will be managed by an organization with great experience in development assistance, with proven managerial expertise, and with an enviable record of project selection and implementation.

Of course, I would be remiss if I did not mention that H.R. 15465 also provides that Americans shall again be free to buy, hold, and sell gold no later than December 31 of this year. Considering current prices of gold in the markets of the world, I am not at all certain such a privilege is any road to riches. On the other hand, I see no reason why Americans should have their freedom limited by continuing the existing constraints on gold ownership.

For all of these reasons, I urge prompt passage of this vital legislation.

At this time I would like to read into the RECORD a letter received from Joseph J. Sisco, Acting Secretary of the Department of State:

DEPARTMENT OF STATE,
Washington, D.C.

HON. WILLIAM B. WIDNALL,
Banking and Currency Committee,
House of Representatives.

DEAR MR. WIDNALL: During his present travels, Secretary Kissinger specifically asked me to express to you his strong personal support for the legislation authorizing United States participation in the Fourth Replenishment of the International Development Association, which the House of Representatives will soon be reconsidering. Secretary Kissinger regards passage of this bill as a major element in the structure of international economic cooperation which the United States is trying to achieve. Failure of its passage in the House, following the favorable 55-27 vote in the Senate, would

be interpreted around the world as a signal of retreat by the United States from its fair share of international responsibilities, and would hamper our foreign policy initiatives on many fronts.

Sincerely,

JOSEPH J. SISCO,
Acting Secretary.

For all these reasons, I urge prompt passage of this vital legislation.

MR. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin (Mr. REUSS).

MR. GONZALEZ. Mr. Chairman, will the gentleman yield?

MR. REUSS. I yield to the gentleman from Texas.

MR. GONZALEZ. Mr. Chairman, last January, the House defeated a bill to provide additional funds to the International Development Association. Today, the House is being asked to reverse its position, and in doing so, undertake an act of blind faith.

Voting for this bill is, let me repeat, an act of blind faith. The truth is that at no time, in no stage of committee consideration, did the committee seriously consider the merits of either proposition. Nobody asked or talked about contributing a billion and a half dollars to IDA, or suggested how we might justify asking the House to reconsider its January action. Nobody asked for hearings to consider the merits of the private gold ownership provision. All we heard was whether or not adding gold would be a sufficient prop to get IDA through the House.

This IDA contribution involves more than \$1 million a day for the next 4 years. But no one on the committee seems interested in the question of whether this ought to be done—only how to get it done. Nobody made any serious inquiry about the merits of the gold provision, save myself, and the only official reply that we have from the Federal Reserve and from the Treasury is that it should not be done. But the Treasury, with cynicism equal to that of the managers of this bill, privately says that if it takes gold to win IDA, they will pay that price.

We at least had hearings on IDA last fall; we at least have experience with it. But we have neither had hearings nor experience with the question of private gold ownership.

If we have any cause to wonder why the estate of Congress has fallen so low, or why Congress seems incapable of dealing effectively with major issues, we have no need to wonder after looking at the process by which this bill was created.

Good legislation requires good procedure. But this bill's emergence violated every tenet of rational procedure. At no time did anybody stop and ask, why are we doing this? No, the only issue was how to do it. At no time did anybody stop to inquire in any way if we should be doing this; the only question was how to be most expedient.

So in form and in substance the author and managers of this bill have violated

every concept of responsible and rational legislative process. And in consequence, you and I are being asked to vote for this bill, in an act of pure, blind faith. Is it any wonder that Congress is so often considered an almost useless appendage of Government?

I have been told by my colleagues that it is a small thing, this jiggery-pokery that resulted in creation of the bill we have before us. They say that you have no business in politics if you are going to let such a small thing as principle stand in the way. It is not important, they say.

But any student of history will tell you that great principles are often fostered, and just as often founded, on issues that seem small at the time.

The whole concept of judicial review originated in a case that could hardly have been more insignificant. It was a case grounded in purely partisan politics, unworthy of a great struggle. But it became a foundation upon which the Supreme Court stands even now, almost two centuries later.

The cynic would have said that it was not worth fighting about. And that is what we have been told by the author of this bill. Sound legislative principle is not worth fighting about. Let us not ask what we are doing, or why. No, they say, let us fix up this bill and obscure it, and prop it up. That is what we want to do. And then they wonder piously how due process gets trampled underfoot, and why Congress looks so foolish and impotent, and cry out for reform.

I cannot support a bill that has not been considered carefully. We do not know what the consequences of this gold amendment will be. The manager of the bill will tell you, if he speaks honestly, that the gold provision might well do a great deal of harm. But then he says, magnanimously, in private, that if something does go wrong, he will reconsider.

Why place ourselves in that position? Why take an unknown risk, in the name of political expedience, and against the official advice of both the Treasury and the Federal Reserve?

And why should we obscure the real issue, the IDA contribution, by this cheap device?

The authors of this bill hope that everyone will have his eyes blinded by gold, and that gold will be the subject of debate, and that nobody will pause and ask about that other little thing, the billion and a half for IDA.

Surely, what we ought to be doing is talking about one or the other, but not both. These issues are wholly unrelated, and there is not one reason on the Earth or in heaven that they should be joined.

My friends on the committee might well have inquired of the wisdom of contributing to IDA, when 40 percent of the money goes to India, where there is more poverty than any place on the planet, but where the Government nonetheless finds the time and resources to explode a nuclear weapon. God alone knows why the Government of India thinks it nec-

essary to construct atomic bombs when the country has a population rate that is growing at twice the rate of food production. But my colleagues have not bothered to ask about the wisdom of contributing to such folly; no, they only inquire about gold, a completely non-germane issue.

And in inquiring about gold, they do not ask about the consequences of private ownership. They only ask if the Secretary of the Treasury is willing to make a deal; namely, gold for IDA.

And so it is that you are being asked to vote for gold—not because anybody, least of all the author of the bill and its manager knows what it will do, not because he knows that it is sound but only because he thinks it is a good political deal.

And so it is that you are being asked to vote for IDA—not because there has been any real consideration of its merits, not because any real justification for changing your vote has been brought forward but only because the bill's managers think that you will not see IDA behind the golden crutch.

A vote for this bill is a vote of pure, blind faith. There is no record that supports the bill, nothing at all, because its sponsors do not think one is necessary or needed.

Others may be able to thus discard rational and sound legislative procedure. For my part, I will have nothing to do with it.

Mr. REUSS. Mr. Chairman, the replenishment of IDA, so rudely interrupted last January, ought now to proceed today.

Last January, there were two principal criticisms leveled in the debate against the replenishment. Both of them have been substantially answered.

The first was that the United States should not be expected to increase its annual contribution. As of last January, an increase was requested. The bill now before us has been altered to reflect a lesser annual contribution. The net of it is that whereas for some years past the United States has been contributing \$386 million per year, the contribution under this bill for each of the 4 years beginning in fiscal year 1975 will be for a lesser sum, \$375 million.

A second criticism which was voiced on the floor by many, including notably the gentleman from Ohio (Mr. HAYS), was that the oil-producing countries, which then had created so much of the chaos in the world, were doing substantially nothing to help the developing nations. I think that the gentleman from Ohio (Mr. HAYS) had a point as of last January. I did not attempt to answer him, because I recognized the point, and I think his forceful expression did some good, because I am now able to report that, I think, largely as a result of that debate and as a result of the vote and as a result of the energetic efforts of our country and some others to get the oil producing countries to contribute, they are now beginning to recognize their responsibilities.

So far, six of the OPEC countries have pledged more than \$3 billion to the IMF

special facility to help pay for increased oil prices. The same countries have purchased \$600 million in the last couple of months of World Bank bonds, and they pledge to increase that purchase. Kuwait is expanding its economic development fund from \$600 million to \$3 billion. Venezuela is negotiating a \$500 million trust fund in the Inter-American Development Bank, and believe me, with its oil riches, it should.

Iran is extending substantial bilateral assistance in the Middle East and Africa. Formal approval later this month is expected of a 24-member Islamic Development Bank with an initial capital of more than \$1 billion.

So, I laud the gentleman from Ohio (Mr. HAYS) for the forceful expression he made last January. It has done some good, and it is not beyond the realm of hope that the gentleman from Ohio can be with us later this afternoon.

Let me now attempt to answer several of the points that have been made against IDA. Point No. 1, that it does not help the poor. Well, as has been made clear this afternoon, from the very forceful expressions from the minority side, IDA's whole aim and purpose is to help countries whose average per capita income is \$200 per year or less.

Mr. Chairman, I think of Members like the gentleman from Ohio (Mr. STANTON), the gentleman from Ohio (Mr. WYLIE), the gentleman from Georgia (Mr. YOUNG), and myself who, last fall in Senegal, saw how IDA on the spot was helping poor villagers, and farmers drill a well, so that they could have some water to put on their crops.

We saw in Kenya how landless farmers were, under agricultural credit schemes, given a plot of land on which to grow tea. We saw how seeds and fertilizers and insecticides were made available to them, how, through rural marketing cooperatives, they were able to market their tea, and how they were beginning to develop a stake in the future.

That is the kind of way by which IDA is actually helping the poor, and I wish every Member here today could have seen it.

Second, it is true that India has been getting a large share of IDA. So India has, in the past. But the share accorded India has been lowered every year. India, with 44 percent of the total population of the IDA-receiving countries, gets only 36 percent of the IDA aid, so it simply cannot be said that India is getting the lion's share. Something needs to be said about India's defense expenditures, which constitute 20 percent of the total Indian budget, much, much less than many of the developed countries, including our own. By way of contrast, India devotes over half of its federal budget to economic and social development projects. So India is bearing the burden of self-help.

Then, third, it is said that we have things to do at home—and so we do—in housing, in the developing areas of our own country, in the hills of Kentucky, in the backwater regions of many a State, we need funds to help those areas

of our own country. But let me point out that the amounts in the budget to IDA will merely be one-tenth of 1 percent of the total budget, so that it is not exorbitant; it is not a major share.

In return for that, in a selfish sense, we get monetary cooperation, which is seen in this year of political turmoil, instead of a monetary crisis—a degree of monetary stability that we have not witnessed for years.

In the days ahead, we are going to need the friendship of many countries if we are to get our fair share of scarce materials and supplies.

Finally, IDA should be voted up this afternoon, because it represents the highest aspirations of the American people. With proper leadership, the American people are not mean, or cabined-in, or confined, or uncharitable. The American people want to do their share.

When we look at what the people of West Germany or the people of Japan, whose IDA contributions have greatly increased, are doing, when we look at what little countries like Ireland and New Zealand are doing, which are giving a much larger portion, proportionately, of their income to IDA than we do, it seems to me that the American people will want our Congress to devote one-tenth of 1 percent of the national budget to keep alive this great hope of mankind, this institution which has done such a good job and will continue to do even a better job if we demonstrate our renewed faith in it.

Therefore, Mr. Chairman, I hope that IDA will be voted up.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I will be glad to yield to the gentleman from California.

Mr. JOHNSON of California. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the right of American citizens to own gold. Since my first day in this Chamber, back in January 1959, I have worked to obtain for each and every American that right he lost in 1934 when the Federal Government stepped in and denied the right of citizen gold ownership. From my introduction of gold legislation on my first day, through the succeeding 16-year period, my colleagues and I have looked forward to the day when once again the American people could legally possess gold.

We have before us today the means of restoring this right. I believe an adequate supply of gold is essential to the well-being of this Nation.

Northern California includes many of the most historic gold mining areas of California, dating back to the California gold rush. In direct contrast with the gold situation back in those times, our present outlook is deplorable. Today we produce only one-fifth of the gold needed for domestic consumption. This means we are dependent upon foreign countries for better than 4 out of every 5 ounces of gold we use for our arts, science, and industry, including our defense and space industries which are demanding constantly increasing supplies of gold.

The fact that we are not meeting our needs for gold is not because there is no more gold to be mined in the United States. The Bureau of Mines has reported that there are some 400 million ounces of known gold ore reserves. It is anticipated that the stability which this legislation will give to the domestic gold market will result in the opening up of some new mines and reopening of old ones.

Domestic mining would help to assure self-sufficiency for the Nation. With an impending minerals shortage of a magnitude substantially greater than the energy crisis we recently experienced, it seems only logical that we take this important step to allow free sale and ownership of gold.

It is sadly ironic that in America, the land of freedom, citizens do not have the basic right to freely buy, sell, and own gold in the same manner as any other metal. Citizens of over 40 other countries of the world have this fundamental liberty, yet we in the United States are denied it.

Last year the Senate passed an amendment to the Par Value Modification Act which would have permitted American citizens to own gold. When this bill came before the House, the gold provision was defeated by a tie vote. Instead a provision was added which permits the President, at his discretion, to eliminate restrictions on ownership of gold. The President has not exercised this authority.

On May 29 of this year, the Senate added an amendment to the International Development Association bill which would permit citizen ownership of gold beginning on September 1, 1974. The House Banking and Currency Committee has recommended passage of H.R. 15465, a bill similar to that of the Senate. The House IDA bill contains a provision which would permit Americans to hold gold as of December 31, 1974.

I strongly support this gold provision of the IDA bill and commend the Banking and Currency Committee for its foresight on the need to allow the ownership of gold. In addition, I welcome to our ranks, the support of the Department of the Treasury and in particular our new Secretary of the Treasury, who on more than one occasion has spoken in support of the need to return this right to each and every citizen.

Today, Mr. Chairman, we can correct an injustice long suffered by our citizens. I call on my colleagues to recognize the need for this change in policy on gold. The administration supports this effort, the public supports us, and the Senate has approved it. The time for the House to act is now.

Mr. WIDNALL. Mr. Chairman, at this time I yield 5 minutes to the gentleman from Pennsylvania (Mr. JOHNSON).

Mr. JOHNSON of Pennsylvania. Mr. Chairman, the vote today on this measure to replenish IDA is one of the most important votes that Members will be called upon to cast this session. Because of the outcome of the vote rests our future relations with other nations in the free world. Since President Eisenhower, back in 1960, took the lead in the forma-

tion of this organization, 112 nations have joined the association. Ninety-one of these nations are classed as donee countries; that is, eligible to receive loans. The other 21 nations are the donor nations.

When this organization first started we furnished 66 percent of the money. Now, by agreement with the group, our share has been reduced to 33 1/3 percent.

I know many of you are saying why should we continue to remain a member of the International Development Association? I say we cannot afford, as a nation, not to continue as a member. The question before us today is whether we are going to continue to be a member of the family of nations of the free world.

To renege on our share of IDA will be a gross repudiation of firm promises made to other nations, and will be a withdrawal by our Nation at a time when we need great cooperation from other nations.

A committee of 20 nations has been meeting to try and come up with a new currency unit in order to stabilize world markets. They have just about agreed upon a new system.

Most of these nations who are trying to stabilize world currencies are also large donors to IDA. For instance, Canada has pledged \$274 million in the next 3 years; England, a nation with a shaky economy and currency, \$500 million; West Germany, \$500 million; and Japan, \$495 million.

As they all cooperate on other world problems, such as NATO, the energy crisis, and trade barriers, they also are cooperating in the IDA program. I think our choice is clear, as a leading nation in all these negotiations, to repeat, I do not see how we can now Welch on our IDA aid, unless we have made up our minds that we are going to go it alone, reestablish "fortress America," and refuse to cooperate worldwide.

Such a decision is foreign to the United States. Since we last voted to kill the IDA bill, many changes have taken place. The oil embargo has been lifted. We held a conference in Washington with the oil-producing nations. Kissinger was able to neutralize the Syrian-Israeli conflict, and has arrived at a favorable understanding with Egypt, and President Nixon journeyed to the Middle East to cement the understanding arranged by Kissinger. And the President is now again in Moscow, furthering "détente" relations, hoping for new avenues for peace. And, as I stated, the Committee of 20 is on the verge of a momentous currency agreement to replace "Bretton Woods," and will fashion a financial way of life for all nations to endure the next 40 years.

Now aside from the international repudiation that our scuttling IDA would entail, is the distinct economic advantage to our Nation to remain a viable partner. The oil embargo by the Arabs awakened us to the utter dependence of the United States on oil from the Middle East. We desperately need raw materials from the developing countries who are the recipients of IDA loans. We cannot

survive without trade with these nations. Thanks to IDA and other aid, our trade with recipient countries, in 1972, was \$14.6 billion, and it will be bigger as the years go by. Few people realize that from these countries we get 100 percent of our crude rubber, 93 percent of our manganese, 92 percent of our cobalt, and 81 percent of our aluminum.

I realize that so-called foreign aid, whether bilateral, or channeled through international agencies, is not politically popular at the present time. However, the United States is the leading, and the richest world power. We cannot shun our responsibility, especially when the other nations of the free world have increased their share, and we have reduced ours to 33 1/3 percent. Japan has tripled its share, and West Germany has doubled theirs.

The people of the United States must not all in a sudden become isolationists and engage in a feeling of false security in our own ability to go it alone. This we cannot do. We are more dependent on other nations today than at any other time in history. In my own district, industries are clamoring for foreign raw materials. And I strongly feel we must not do anything that will endanger our friendly and cordial trade relations with all these poor countries, who need IDA aid, and also have provided us with the necessary raw materials for our survival.

I know some are thinking what does IDA accomplish. First of all, only loans are made—on easy terms for 10 years and more. I have visited projects sponsored by IDA and now completed, including schools built in Tunis, as well as extensive irrigation works making possible the tilling of thousands of acres of previously arid land all allocated on a 4-acre basis to small farmers. In Kenya, large tracts of land have been divided into 40-acre plots for tea growth and sold on favorable terms to unfortunate people and their families. In Ethiopia, roads have been built through jungles to open up large areas to agriculture and development. And in practically all of the developing countries dams have been built for electric power production. It just seems to me that we must continue this type of help for these people who cannot do it by themselves.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Chairman, I thank the distinguished minority leader, the gentleman from New Jersey (Mr. WIDNALL) for the grant of time.

I wish to support this piece of legislation because of a significant alteration of it over when the House previously voted on it. At that time I was one of quite a number in this House, a majority, in fact, who voted against the International Development Association. Subsequent thereto, as perhaps most Members of the House know, the Senate passed an IDA bill that included a provision that would restore to Americans the right to buy, sell, or hold gold by September 1 of this year. That particular amendment passed unanimously in the Senate. If this legislation passes in the House, and the only

difference is the House bill has a December 31 date instead of a September 1 date, one can anticipate that no later than the end of 1974 Americans will be again entitled to buy, sell and hold gold, a fundamental right, it seems to me, that has been denied them for 40 years.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield at that point?

Mr. CRANE. I will be happy to yield to my colleague if the gentleman will make it brief.

Mr. ROUSSELOT. I appreciate the gentleman yielding to me.

Did not the gentleman tell me that Secretary of the Treasury Simon has told the gentleman from Illinois that the administration is seeking an extension of that date past December, so what good does the cutoff date do in this bill?

Mr. CRANE. The importance of the cutoff date to me is that if the Congress adopts a date certain, and if the administration later comes before the House and asks that the date be extended, for whatever reason, that neither the House nor the Senate would vote to give them such an extension on the ground that it would be a betrayal of faith, because the administration did not register opposition to this date certain now.

On the basis of past experience when we had a vote on the question of a date certain for restoration of gold ownership on December 31, 1973, which was defeated by this body in a tie vote, 162 to 162, and that same measure passed twice that year in the Senate by votes of 68 to 22 and 69 to 21, I believe the sentiments of the House and the Senate are well established on the question of setting a date certain for gold ownership. And the arguments that were raised against the date certain for 1973.

So I am personally persuaded that we can anticipate that the date certain will resolve this question once and for all, notwithstanding any possible future agitation on the part of the administration to change it. I confess to an ambivalence on this bill. I personally can accept the idea of support for IDA only because I believe that the restoration of the right to buy, sell and hold gold is so vitally important that this is a relatively small price to pay if one will calculate it in terms of the annual replenishment rate; namely, \$375 million a year, which represents about one one-hundredth of 1 percent of our Federal budget.

Mr. Chairman, when I was teaching I had a colleague who was a refugee from Hungary, and he told me that he was on his way to Siberia to a Siberian prison camp, and he was able to buy his way free by passing off to one of his guards a watch which, coincidentally, happened to be made of gold.

I would only suggest to some of my colleagues that as the song says, "Freedom is not free."

I think it is a very difficult thing to establish a price tag on the restoration of a fundamental right that has been denied our citizens for, lo, these past 40 years. I acknowledge that there is a price tag here that some will find insurmountable to swallow. I respect that, but,

on the other hand, think that they should carefully reexamine just exactly what we are talking about in terms of the cost of the legislation involved and, on the other hand, the restoration, as I say, of this very vital and significant right.

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

Mr. CRANE. I yield to my good friend, the gentleman from New Jersey.

Mr. HUNT. I thank the gentleman for yielding.

Did I understand the gentleman to say that the attachment of the right for an American citizen to hold and possess gold was a small price to pay for the passage of IDA? Did I understand the gentleman correctly?

Mr. CRANE. If I said that, I wish to reverse it. I did not intend to say that IDA is a small price to pay for the reestablishment of the right to buy, sell, and hold gold. If I was in error in my previous remark, I wish it corrected.

Mr. HUNT. I thank the gentleman.

Mr. WIDNALL. Mr. Chairman, at this time I yield 4 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of H.R. 15465, the International Development Association fourth replenishment.

In discussing this legislation I shall touch on three questions.

First, what is the cost of IDA to the United States?

Second, why should Congress support the activities of the International Development Association?

Third, what would be the effects of congressional rejection of IDA's fourth replenishment?

I would like to comment upon the cost to the United States of our IDA contribution and upon our ability to afford it.

First, our \$1.5 billion assessment represents a significant decrease in the U.S. share, from 40 percent to 33 percent of the total replenishment. In dollar terms, this is a \$300 million reduction. Further, we may divide our payments over 4 years instead of the usual three—thereby cutting our annual installments to \$375 million, or \$11 million less than our present yearly IDA contribution. These savings, in part, have been made possible by a tripling of the Japanese and a doubling of the West German quotas. This, incidentally, clearly demonstrates that other developed countries are bearing a more equitable burden of developmental costs.

Second, a study released in March by the House Committee on Foreign Affairs reveals that, contrary to widespread assumptions, American participation in multilateral development banks has resulted in a net U.S. balance-of-payment surplus of \$2.7 billion. Since the World Bank's inception in 1945, the United States has realized from the organization and its subsidiaries a positive balance of payments in excess of \$3.5 billion. Nearly \$2.6 billion of this total has been acquired since fiscal year 1965. The fact that the United States receives direct financial benefits from its participation in international lending institutions

is, in itself, a sound economic argument for our continuing to fund programs like IDA.

Third, our remarkable trade recovery in 1973 and the present strength of the dollar abroad make the IDA request of \$1.5 billion economically manageable, even with the negative impact of the energy crisis. Other industrialized nations are far more adversely affected by the oil shortage than is the United States. They, nevertheless, are still maintaining their support of IDA.

Fourth, Mr. Chairman, the example of the United States renegeing upon its commitments made at the Nairobi Conference could lead to the complete unraveling of the replenishment agreement. To the poor economies of the world, this would only illustrate once again the validity of that somber law of economics: "the poor come last." This archaic attitude must fall to the demands of international cooperation if our planet is to survive.

Next, why should the Congress authorize funds to sustain and, indeed, expand the activities of the International Development Association? In my opinion, there are three fundamental reasons.

The first is humanitarian. Paraphrasing the observation of the noted British economist, Barbara Ward, "the rich nations have a moral obligation to assist the world's poor nations." Apparently, two out of every three Americans accept this thesis. This is borne out by a recent survey by the Overseas Development Council. The ODC study reveals that 68 percent of the American people support the idea of giving U.S. assistance to less developed countries.

The second justification is political. By promoting a nation's economic development, IDA also enhances that country's chances for continuing political stability and independence. This, in turn, contributes to a more peaceful community of nations.

Third, it is in our Nation's own self-interest to do all that we can to further the progress of the International Development Association.

A. In 1972 developing nations provided a \$14.6 billion outlet for U.S. products. By helping to raise the national income of these countries, IDA expands this market potential for American goods.

B. By 1985 the United States will be dependent upon external suppliers, principally the developing countries, for 10 of the 15 minerals most essential to industrialized societies. By the year 2000 this will increase to 13 of those 15 minerals. In order to meet this growing mineral demand, the world's less developed nations must obtain capital in quantities sufficient to achieve the required expansion of output.

Finally, Mr. Chairman, if the House of Representatives rejects today the authorization for America's modest share of IDA's fourth replenishment, we unwittingly would place in jeopardy the ongoing efforts designed to sustain human life in the Earth's most poverty-stricken pockets. Specifically, what would be the possible consequences?

First, IDA lending would cease in the near future. This would terminate the principal source of multilateral loans for the world's poorest economies, thereby casting hundreds of millions of people into the most desperate circumstances.

Second, the new concentration on the development of human resources would wither and die. The implementation of this principal, so strongly advocated by the World Bank, developmental economists, and the Congress itself—in the passage of the Mutual Development and Cooperation Act of 1973—is seriously dependent upon contributions to IDA's fourth replenishment. The agreement negotiated in Nairobi in September 1973, stipulates that no nation need pay its share if any other country, party to this agreement, fails to make its contribution.

Third, the development of a self-sustaining economic capability in the world's poorest economies would be seriously impaired since failure of the United States to participate in this replenishment may cause the previously described chain reaction among the other industrialized nations. This would leave the poorest countries, which are unable to borrow in ordinary capital markets, in the untenable position of having no access to funds critical to their self-survival. By depriving these nations of IDA's resources, we thus perpetuate their dependence upon bilateral assistance.

Fourth, congressional refusal to refund IDA would ill-serve America's economic self-interests by impeding the development of potentially rich overseas markets. In 1972, for instance, developing nations provided a \$14.6 billion outlet for U.S.-produced goods and services. By helping to raise the national income of these countries, IDA expands their ability to purchase American exports.

Perhaps even more important in this age of resource scarcities, our failure to support IDA would undermine reliable and sorely needed supplies of raw materials, energy, and minerals which our own economy will require in the near future. By 1985 the United States will be dependent upon external suppliers, principally the developing countries, for 10 of the 15 minerals most essential to industrialized societies. By the year 2000 this will increase to 13 of those 15 minerals. In order to meet this growing mineral demand, the world's less developed nations must obtain capital in sufficient quantities to achieve the required expansion of output. These realities mean, as Brookings economist C. Fred Bergsten has noted, that greater cooperation with the developing countries is essential for the well being of the United States. Access to reliable supplies of required resources, the ability to construct a more viable international monetary order, and the adjustment of global investment and trade policies to changing world patterns all require participation of the poorest nations.

Fifth, Mr. Chairman, our rejection of IDA would tarnish the position of the United States as an international leader. Today, our Government spokesmen are

actively striving for international cooperation in the fields of trade, investment, and monetary policy. Concurrently, they have been denigrating all "go-it-alone" tactics as detrimental to a stable world order. Congressional refusal to participate in IDA refunding would cast serious doubt upon the sincerity of these efforts. Further, congressional abandonment of IDA not only would indicate an absence of a will to lead, but would reflect an insensitivity to the plight of the great majority of the world's population.

Let me conclude, Mr. Chairman.

There is an ineluctable movement toward a greater world interdependence with its concomitant need for more cooperation among all countries, large and small, rich and poor. The United States' role in the international economy, if it is to be meaningful, must recognize this contemporary global reality. There is no better way for Congress to express this awareness than by honoring the commitments made to IDA last September.

It is for this reason, Mr. Chairman, that I hope that this body will act favorably today on H.R. 15465.

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

Mr. WHALEN. I yield to the distinguished gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I thank the distinguished gentleman for yielding.

I would like to ask the gentleman a question. Since he says this promotes political stability, has the money we loaned to Ethiopia, at least \$130 million, seemed to contribute to the stability there?

Mr. WHALEN. I would suggest that the Emperor is still on the throne in Ethiopia.

Mr. CARTER. But it is in a state of revolution at the present time and all cabinet members have been arrested, according to my information.

Mr. PATMAN. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. HANNA).

Mr. HANNA. Mr. Chairman, IDA represents a combine not of 21 industrialized nations but it has grown since its inception so that it now represents 25 of the industrialized nations. This is a very significant approach by those who are further along the path of development in cooperating in this world that so dearly needs cooperation in helping those who are less developed.

Let me speak primarily to the Members about how this differs in its impact on the budget of the United States than the bill that was introduced in January, because I think this is a very important question to many Members of the House.

First of all, the United States under this bill lowers its participation in this fourth replenishment by almost 7 percent.

Secondly, it provides for four payments instead of three payments. None to exceed \$375 million and the first payment will be in 1976.

And the payment will be made not in cash but in non-interest-bearing notes which may not even be cashed fully in 1976.

So I cannot see how we could have conceived of a package that would have less impact and yet provide a full showing that the United States of America is still solidly behind the greatest cooperative financial institution that the countries of the world have yet devised.

There is one other significant thing I think about the change in this bill. It no longer carries the maintenance of value provision which required us to increase our contributions so that in the future we will not be facing that rather onerous situation.

So I think when we consider that we are by this action here today reestablishing our confidence in an approach to world problems that is constructive, that is cooperative, and that is realistic, as the gentleman from Ohio (Mr. WHALEN) has pointed out so adequately, it shows that we realize the problems of the world are our problems and that if these countries fail they still have to be taken care of some way and that becomes our burden. If they fail they cannot provide us with the things which we now get from them and they cannot buy from us the things they now buy from us, and everyone of these countries has a favorable balance of trade as far as we are concerned. We sell them more than we buy from them and that helps us immensely in our total posture economically in the total world situation.

So that I feel there should be strong confidence on the part of all Members today to support this legislation.

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

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

Mr. BROWN of California. Mr. Chairman, I want to commend the gentleman for his statements. I think it is particularly important to point out, as has been stated already, that much of this money goes for assistance to agriculture in these countries. There is much evidence that the next great world crisis may be, not a shortage of oil, but a shortage of food.

I think it has been in accordance with the record of this country that when impoverished countries face famine that we have not been reluctant to provide them with food. The money that is in this bill will assist them to solve that problem in a self-reliant fashion and will contribute to world well-being, as the gentleman points out. To the extent that assistance from IDA prevents famine and raises the agricultural productivity of the less developed nations, it will lessen the demands on the financial and agricultural resources of this country.

Mr. Chairman, I have voted against most foreign aid programs for the past several years, not for lack of concern for the needs of underdeveloped nations, but for lack of confidence that our bilateral aid programs met those needs. I am convinced that multilateral assistance through IDA meets those needs and I intend to support this bill. I urge my colleagues to do likewise.

Mr. HANNA. I thank the gentleman. I would conclude by saying that the money here is loaned and it is loaned for education, transportation, water and health, food, fuel and fertilizer. Those are the basic things that make life work. All we are doing here is to say let us make them available, let us make the rest of the world work in a way in which it does not become so much of a burden under the crisis that the gentleman from California (Mr. BROWN) has alluded to.

So I hope we will all get behind and support this legislation.

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

Mr. WIDNALL. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I would like very much to support this legislation. I have appreciated all the statements on the floor in the time here giving the reasons and stating the goals and objectives that it seeks and has accomplished.

There is one thing that does trouble me, however, that has been the situation recently illustrated by what took place in Sudan in the treatment of our Ambassador there. Apparently we live in an age of terrorism and the world is suffering from a period of instability. This seems more true in the so-called underdeveloped countries than in the developed countries, even though they have their problems as well.

In examining the legislation, I find that the committee did put in the so-called Gonzalez amendment which was adopted for the purpose of bringing to the bargaining table those countries that were going to expropriate without compensation American property.

I wonder if it would be the consensus of the House and the wisdom of the Congress to extend this to countries that do not police terrorism against American nationals.

I would like to ask the member of the committee, the gentleman from Ohio (Mr. WYLIE), if he has a comment on this. Could the amendment be enlarged to protect not only property but also the nationals of this country?

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

Mr. HILLIS. Of course, I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, I think the gentleman has made a very valid point. Certainly the situation today in Sudan is appalling and we cannot condone such activities nor can we condone terrorist activities against American citizens.

As far as I am concerned, we can make legislative history here on the floor of this House, which would say the Gonzalez amendment ought to be expanded in concept to insure that the United States would vote against lending to countries that condone terrorist activities against American nationals.

Mr. HILLIS. I thank the gentleman very much for his remarks.

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

Mr. PATMAN. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia (Mr. YOUNG).

Mr. YOUNG of Georgia. Mr. Chairman, I guess as we listen to all the arguments for IDA and certainly I share all the humanitarian concern that has been expressed by Members of this Committee for the people of the underdeveloped countries of the world, I want to take a little harder line, though.

I think of the \$375 million that we are contributing to IDA as something of an investment in the peace of a new kind of world. One of the things that has happened in the tenure that we have been in this session of Congress is that we have seen a de-escalation of military conflict between nations. We see for the first time in my lifetime the possibility of a real peace on the world level. But, the essential nature of the conflict between men has not ceased at all. Rather, what we see is conflict changing from a military basis to an economic basis, and the battlefields of the world in this day and age are more in the economic and trade agreements that are being made than necessarily on the military battlefields of the past.

So, I think as we look at the new battleground, the new economic conflict that does exist, we look particularly at the International Monetary Fund. Nine Members of the "Committee of 20" come from lesser developed nations. When our secretary sits down in that committee of 20, if he has no participation in IDA guaranteed by this Congress, he faces a potential block vote of nine against almost any proposal he makes.

We can certainly count on the Japanese and the West Germans, and many of our so-called military allies, turning from us as our new economic enemies, because they are desperately engaged with us in a conflict for world markets, and they really—especially in the case of the Japanese and West Germans—will beat the daylights out of us.

One part of Japan's success is that they have skillfully coordinated their economic aid with their ability and willingness to seek new markets. Japan is making a contribution of 1 percent of her entire gross national product in this type and other types of nonmilitary aid. They really have understood the nature of the future world conflicts, and had it not been for the energy crisis, they would have been so far down the road from us that we would not have a chance to catch up for some time.

In addition to this, some 60 percent of the natural resources we as a highly industrialized and technical nation need to survive being in the possession of those lesser developed nations. We sit down regularly with them, in the general agreements on tariffs and trade, and as we saw in the oil producing nations beginning to develop a cartel of their resources; as we see the bauxite producing nations; the coffee producing nations; the copper producing nations; the cobalt producing nations beginning to get together. We are entering into a possibil-

ity of a kind of cartelization of resources that is going to require much more sitting down together and trusting each other.

I think if we are not participants in the World Bank and in the International Development Agency with these other countries, we stand very little chance of convincing them of our good intentions, of living and developing in a world where we all live and grow at peace.

There has been a lot of reaction to India's recent nuclear explosion.

In India's case, 70 percent of her oil requirements are imported; and this factor, coupled with drought and the rising cost of food and fertilizer, is responsible for her present perilous economic situation.

The main achievement of India's Department of Atomic Energy has been in the field of nuclear power. The department has two nuclear powerplants in operation, one under construction, and a third being designed, which could develop industry and power fertilizer plants.

In the field of nuclear technology, India has developed radioisotopes in medicine, biology, agriculture and electronics, in hopes of developing minerals and power and water resources of much less expense than she would otherwise have to bear. India also wants to utilize her nuclear knowledge to obtain gas and oil, and to study "crater mechanisms" and rock dynamics.

India has declared that she is willing to share with her neighbors the fruits of her research on nuclear energy for economic development.

Although development of conventional energy resources is essential in India, the country suffers from a concentration of coal fields in Bihar and West Bengal in the northeast. Bottlenecks experienced in transporting the coal great distances along congested railways to the northwest and south have seriously impeded production in several industries.

India's three existing nuclear power stations are situated in three under-powered regions—Rajasthan in the south, Tarapur in the west, and Madras in the southeast. Sites for other nuclear power stations are being investigated in other parts of these areas farthest from the coalfields.

The coalfields themselves are an expensive source of power, because of the poor quality of coal found in a large number of small mines.

The Government's Department of Atomic Energy has taken in account the favorable cost structure of nuclear power plants in a world of rising production and import costs and chronic inflation. Although nuclear powerplants are more expensive to build than conventional ones, their operating costs are lower. They also have greater economies of scale, and remain fully productive throughout their lifetimes.

The testing of the Indian nuclear device was a byproduct of its constructive energy program, the specific cost of the development of the device, using the

cheaper plutonium rather than the more expensive uranium, is estimated at up to \$7 million. The work on the nuclear test was done entirely by Indian scientists, engineers and planners and all equipment and material used was Indian. This compares with a total expenditure on atomic energy by India during the term of the Fourth Plan—1969-74—of \$592 million. It comprises \$173 million on research and design; \$243 million on nuclear power stations; and \$176 million on industrial ventures.

Indian atomic energy expenditure during 1969-74 has been 1 percent of total Government expenditure. As part of the fourth plan during the same period, India spent \$3.4 billion—or 15.9 percent of total expenditure—on agriculture; \$3.98 billion—or 18.5 percent—on transport and communications; and \$4.15 billion—or 19.3 percent—on industry and minerals.

The concern of the Bank and IDA in India continues to be for the development of agriculture, transport, industry, conventional power and education, and assistance for population control. Since IDA was formed in 1960 it has made total credits to India of more than \$2.6 billion, assisting nearly 60 projects carefully appraised by IDA.

This aid has been far exceeded by India's own contribution to development and the accomplished of India's series of 4-year plans has insured the country's economic survival.

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

Mr. YOUNG of Georgia. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, I certainly want to commend the gentleman on his fine statement. He has so well articulated the increasing interdependence which the nations of the world face in the future. Another important aspect of the argument relates to the fantastic need faced by the underdeveloped nations where the annual per capita family income is less than enough to buy one television set in America. International Development Association loans are limited to those poor countries with per capita incomes of less than \$375 per year. In fact, more than 80 percent of IDA's credits go to countries with an annual per capita income of less than \$200—only pennies per day.

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

Mr. WIDNALL. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank the gentleman from New Jersey (Mr. WIDNALL) for yielding. Mr. Chairman, various statements have been made today as to the political ramifications of this bill. Frankly, I do not know what the position of the constituents in my district might be, or what is politically popular or what is not politically popular insofar as this bill is concerned. I do not mean to be pretentious when I say that. But, the passage of this bill, I respectfully submit, is the right thing to do. We have

some responsibility to help people who are so much less fortunate than we are.

I agree that we must reduce Federal spending. But this bill does represent a decrease in this category, both from a percentage standpoint and from the amount in actual dollars, as the gentleman from Wisconsin (Mr. REUSS) previously pointed out.

We simply cannot pull the rug out from under an organization whose only role is to help the very poor of the world, people whose per capita income, as has been mentioned, is less than \$375 per year. Seventy percent of the IDA funds go to countries with people whose per capita income is less than \$100 per year, if the Members can imagine that.

The gentleman from Wisconsin (Mr. REUSS) mentioned our trip to Kenya and to Senegal. In Senegal I saw with my own eyes some of the grinding poverty that we read about. No one can imagine such poverty until he sees it. There is no way anyone can describe what has happened to the people in some of these countries.

In Senegal, I saw with my own eyes a railroad repair shop financed with IDA funds using American equipment providing jobs and transportation.

In Kenya, as was mentioned by the gentleman from Wisconsin (Mr. REUSS), IDA funds provided fertilizers, insecticides, and the wherewithal for a very successful tea production operation, helping a lot of people who would otherwise be in poverty overcome their poverty.

In Malawi, an impoverished country in Southeastern Africa, IDA provided the funds in 1968 for a rural development project in the Shire Valley; 16,000 farm families were able to increase their annual incomes 10-fold by growing cotton and raising better food crops.

IDA money does not go into building grand hotels and armies or even much in the way of large-scale industry, as has been suggested here. Its principal aim is to help small farm families, through agricultural and educational programs.

IDA recently supplied funds to house 6,500 families left homeless after the earthquakes in Nicaragua.

It has funded a livestock development project in Afghanistan, a water supply system for Damascus, the irrigation project for 20,000 families in Nepal, and similar projects around the world.

Moreover, by participating in IDA the United States can increase trust by helping ordinary human being.

By approving this measure, Congress reaffirms its intention in two important areas of public policy, it seems to me. First, we recognize that for both strong humanitarian reasons and important economic reasons, support of the International Development Association is essential. No nation with our wealth and our ideals can turn its back on the struggling nations of the world.

The gentleman from Georgia (Mr. YOUNG) made a significant point, I think, awhile ago that selfishly we should not turn our back on the nations of Africa

who will supply 60 percent of our critical raw materials in the years ahead.

In short, no nation with concern for the present and hope for the future can deny the worthy intentions of the International Development Association.

In another area of this bill, Mr. Chairman, I welcome the provision on the private ownership of gold. In my opinion, the assertion of each individual's right to purchase wholesale or otherwise deal in gold is long overdue. The people of 70 other countries can, why not U.S. citizens?

For these reasons, I think it is essential that this bill pass.

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

Mr. FRELINGHUYSEN. Mr. Chairman, as a member of the House Foreign Affairs Committee, I want to voice my strong support for the legislation before us. I think it would be most unwise if Congress today should bring about the demise of the International Development Association. Defeat of this bill would mean terminating the principal source of multilateral loans for the poorest economies of the world.

I would like to speak briefly about some of the objections that have been raised concerning U.S. participation in the International Development Association. First, some have asked why we should be voting to send funds abroad when there are many unmet needs at home, and in our own districts. In reply, let me say that the United States, despite certain economic dislocations, remains the richest country in the world. I would like to point out that on the basis of the \$304 million budget proposed for fiscal year 1975, the proposed \$375 million contribution to IDA would amount to no more than one-eighth of 1 percent of the total budget. Compare this to the nearly 50 percent allotted for domestic social welfare programs—public assistance, unemployment, and so forth.

With figures like these, I hardly think it is reasonable to say that by giving desperately needed help to the poor nations of the world we are shirking our domestic responsibilities or misplacing our priorities.

I agree wholeheartedly with the eloquent statement of the gentleman from Georgia that our contributions to IDA should be considered as an investment in the future. Furthermore, we should take into consideration that a major portion of this contribution that will be used to buy goods and equipment right here in our own country, creating jobs in our factories for our constituents. This means that the amount actually coming out of the taxpayer's pocket is something like 70 cents per person.

There have also been numerous charges that the countries that receive funds from IDA lend this money domestically at much higher rates with the government or middlemen capitalizing on the profits. This should be clarified.

Generally, IDA funds are lent to governments, because the main purpose of concessionary financing provided by IDA is to permit governments to pursue their development plans without being thwarted by balance of payments constraints. The World Bank estimates that in the past 5 years, about half of the IDA funds provided to borrowing governments have been reloaned to other agencies within the country at prevailing local commercial interest rates. These agencies, which are organizations such as agricultural development banks, transportation authorities, and so forth, must insure that the funds loaned to them are used in a prudent, businesslike manner for projects that can insure an economic return comparable to that of other capital investments in the country.

The difference between the low rate which recipient countries pay IDA and the amount they charge locally, which usually ranges from 12 to 15 percent, is used to help build government credit institutions that help free the small entrepreneur from total reliance on private local moneylenders. There moneylenders frequently charge rates from 50 to 100 percent, placing the poor in a state of bondage. In most cases, if it were not for IDA money, there would be no means by which local farmers, businessmen, and so forth, could obtain access to funds to support themselves and utilize the resources of their country.

Our own business community points out that on numerous occasions, when we have experienced slack economic activity in the United States, we have done exactly the same thing by creating specialized institutions to channel funds for stimulative capital or infrastructure development. Typical examples are the Small Business Administration, the Tennessee Valley Authority, the Federal Housing Administration, and the Reconstruction Finance Corporation during the depression.

When we last debated IDA financing, there was considerable concern that this money would fall directly into the hands of the oil producing countries. I am afraid there are still many who fear this, but it is not technically possible. IDA credits have never gone to the traditional oil producers. Only 3 of the 13 OPEC countries—Ecuador, Indonesia, and Nigeria—have received loans. Ecuador and Nigeria no longer receive IDA credits because of their oil revenues and as of July 1, Indonesia is no longer eligible for IDA funds.

Moreover, IDA credits cannot be passed through other recipient countries directly to the pockets of the oil producers because IDA does not finance commodity purchases, particularly not oil. Its funds may be used only for the capital costs—machinery, equipment, technology, et cetera—of specific development projects and programs which are carefully scrutinized by the World Bank management and staff before the moneys are disbursed. There is virtually no way that IDA funds could be siphoned off by a borrower to pay for items not related to the project.

Conversely, OPEC countries are a major source of development funds. The World Bank expects to borrow 40 percent of its funds, or approximately \$1.2 billion from the oil-producing countries during the coming fiscal year. These countries have already pledged \$3 billion to a special facility in the International Monetary Fund to help countries handle oil price increases; they also have purchased over \$600 million of World Bank bonds, and indicated they will purchase a greater amount next year. The function of IDA and the World Bank is very important in this regard. They are providing an effective intermediary through which oil profits may be channeled into development projects in the world's neediest countries. It would be very imprudent for us to curtail this constructive endeavor.

I hate to consider what could happen to the economic and political stability of the world if the oil-producing countries become the sole sources of development funds and are left to do with them as they wish. Access to this capital, for development and other purposes, could then very well be tied to political support for the Arab States. I do not think the United States and the other developed nations of the world should even consider, at this time, giving up the leverage and influence they are able to exert through multilateral channels such as the International Development Association.

In conclusion, I also would like to point out that all other major industrialized countries—with the exception of Italy—have already taken parliamentary action to increase their contributions to IDA. Most of these countries face domestic economic problems similar to, and often worse than, our own. Faced with their generosity, how can we, the richest country in the world and the one least hurt by current world economic troubles, be so niggardly as to deny help to the poorest countries when other less well off than we have already demonstrated their readiness to contribute to this most worthwhile endeavor.

Should the House again vote against the IDA replenishment, it will be responsible for killing this program, since according to the agreement reached by the 25 donor countries, no contributions will become payable until 80 percent of the contributions have been pledged. The U.S. contribution is one-third of the whole and the loss of our pledge, therefore, means the loss of the whole. Can we, in good faith to our friends and allies, face the responsibility for having destroyed this program?

Mr. WIDNALL. Mr. Chairman, I yield 1 minute to the gentleman from Kansas (Mr. SHRIVER).

Mr. SHRIVER. Mr. Chairman, I thank the gentleman for yielding me this time.

I wish to ask a question concerning some statements which were made in the report. The section of the report I refer to states as follows:

The Committee emphasizes this point because it wishes the House to be aware that this authorization bill will result in a binding international commitment by the United

States. Congress should be aware now that a valid international commitment will exist when appropriations to cover this agreement are requested.

We will note that it states not when they "are made," but when they "are requested."

Does this mean that our Subcommittee on Appropriations dealing with foreign operations, which has jurisdiction over this item, and has had for years, will have nothing to do in connection with this consideration, that it will be automatic when the funds are requested each year for these sums?

Mr. Chairman, I will ask if some member of the committee can answer that for me.

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

Mr. SHRIVER. Certainly, I yield to the gentleman.

Mr. REUSS. Mr. Chairman, I will be glad to answer.

No, it is not an automatic act of the Subcommittee on Appropriations that is requested. This bill would authorize the U.S. Government to make the agreement. In the past, the Committee on Appropriations has, I think rightly, tended to honor those commitments.

There have, however, been cases—and I have regretted them—where the Committee on Appropriations has lagged, shall we say, in its response to our commitment.

The answer, and the short answer, is that the power and authority of the Subcommittee on Appropriations remains unchanged.

Mr. PATMAN. Mr. Chairman, I yield the remainder of our time, 5 minutes, to the gentleman from California (Mr. REES) to close the debate.

Mr. REES. Mr. Chairman, I am in strong support of the IDA bill. I think that it is good that the United States participate fully in multinational organizations such as this. What worries me about the bill—and I will vote for the bill—is section 2, which would allow American citizens to purchase gold. This got into the bill through Senate amendments in the Senate bill. It really did not come from the Committee on Banking and Currency, but then a separate vote was held on the Senate amendment, and the amendment was sustained.

What worries me is not so much that by having American citizens buy gold that we are going to disturb the international monetary balance, what worries me about the ownership of gold is that a lot of innocent people will be buying gold, and I think they are going to lose their shirt. The speculators will eat them up. The gold market is pretty thin with about \$25 million a day in gold being traded. The price was about \$160 an ounce a couple of weeks ago, and now it is down to \$138 an ounce.

The gold one buys on margin. You put down 10 percent of the purchase price and finance the 90-percent balance. There are also gold shortage expenses, and that costs money.

What I am afraid of is that since the gold market is basically a speculator's market, that what will happen when gold

is legalized in the United States is that your friends and my friends will go out and buy gold at \$160 an ounce, and upward up to \$170, \$200, \$210 an ounce. If then the price goes down a little bit, with heavy margining, what is going to happen is the margin calls will come in and pretty soon you will find that the gold market is all the way down to around \$90 an ounce, and your friends and my friends will lose their shirts.

That is what worries me.

I would hope that the Federal Reserve Board and the Treasury, if this amendment is sustained, will have strong restrictions as to how American citizens can buy gold. I would like to see a situation where the requirement would be that if an American citizen wants to buy gold that he would have to pay 100 cents on the dollar, could not buy it under a margin condition. In this way I think it would stabilize the market, and it would also protect the average investor from margin calls that would run the price of gold all over the lot.

The gold market is dominated by speculators today, and with a thin market of \$25 million in sales and purchases in any one day. It is obvious that gold speculation is not a reasonable investment for the unwary.

So, Mr. Chairman, while I do support IDA, I would put forth this caution that if gold is available for purchase by American citizens that there be very strong regulations to how American citizens buy that gold.

Mr. ABDNOR. Mr. Chairman, will the gentleman yield

Mr. REES. I yield to the gentleman from South Dakota.

Mr. ABDNOR. Mr. Chairman, the House has before it today a bill that would do two things if adopted. First, it provides for the authorization of \$1.5 billion as the U.S. share of contributions to the International Development Association, the "soft-loan" window of the World Bank; and second, it provides for the private ownership of gold by Americans after December 31, 1974, unless the President says OK before that time. I have been a long time supporter of the latter, but oppose the former and take strong objection to the inclusion of the two in one bill when there exists little if any relevancy between private ownership of gold and 50-year term, three-fourth-percent interest rates to countries with per capita incomes of less than \$375 a year. The theatre of the absurd is alive and well on Capitol Hill, but legislative responsibility and relevancy, in this case, could not get a booking.

Giving the right to the American people to once again own and hold gold is important enough to stand on its own. I introduced legislation last year to provide for private ownership of gold. It is a right that can no longer be justly denied, if, indeed it ever was. To use it as a provision to gain my support of replenishing IDA severely tests my integrity as a Representative. I strongly object to the legislative maneuverings involved to achieve adoption of both measures when one such as IDA replenishments carries

severe questions of applicability to its intentions.

I cannot justly support providing \$1.5 billion to the International Development Association even though I would gain the long sought-after goal of ending the unjustified denial of private ownership of gold. The IDA measure does not appear to me to be sound legislation that we need so badly in these times of low congressional credibility. For that matter, weak and questionable legislation can never be tolerated.

The International Development Association is to provide loans to the underdeveloped countries with less than \$375 per capita income yearly. We provide, as a nation, almost 40 percent of the money in IDA which is now supposed to drop down to one-third. The other 18 wealthy nations in the world provide the rest. These loans are for a term of 50 years with the only interest being charged three-quarters of 1 percent for the service provided. Loans go for agriculture programs, transportation, education, electric power and water works, as well as to industry. The IDA is to help the underdeveloped countries help themselves. Or is it?

According to figures given in hearings on the bill, the countries who receive these loans turn around and loan their IDA money to individuals in the country at the going interest rate which ranges from 12 to 20 percent. I find this highly inordinate and carrying the smack of a ripoff. I simply cannot see who we are helping by tolerating such operations. Why do we not demand that the countries involved loan at the going international rate, at least?

The fact that the United States is being asked to contribute 33 1/3 percent does not adequately reflect the present world economic situation. If we are going to provide an economic benefit or chance than let us consider what is relevant to the discussion. One must also consider the domestic economic ramifications. What do we provide for our own deprived in this area? Where does the budget stand? I would rather support, as I did, a \$1.5 billion low-income housing program for the elderly of our Nation than loans to other countries that operate in a questionable sphere of equity and purpose.

The many salient variables contributing to my opposition of the IDA \$1.5 billion replenishment are aptly exemplified by the situation in India. She spends \$175 million on a nuclear bomb, and has since the inception of IDA in 1960 received nearly 44 percent of its money. She achieves almost self-sufficiency in 1971 with the "green revolution's" success in feeding her millions, but goes to war with Pakistan in the Bangladesh area and essentially ignores further support of the American agriculture experts creating the basis for a plentiful supply of food from the Punjab Plains. As a result of Mrs. Gandhi's ignoring the fact that she must continue to provide emphasis on agriculture development, many—almost all are of the American expertise—left alone with the hopes of

India feeding her nation. IDA cannot be used to buy commodities; therefore, it cannot directly relieve the hunger India is presently faced with. India has shown a stark disregard to the needs of her people. IDA cannot help her for it has not in the past. To continue to provide the type of assistance represented by IDA can only foster further entrenchment of the problems.

I regret that I cannot support the bill in that it would grant a right long removed from the American people, but to do so would mandate my support of the International Development Association, which I have attempted to point out, clearly deserves none in its present form.

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

Mr. REES. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Mr. Chairman, as sponsor of a substantially identical bill, I am pleased to express my support for H.R. 15465, providing for increased participation by the United States in the International Development Association.

This bill should be viewed as part of our larger goal in the reformation and reshaping of the international economic order. It is part of our objective in retaining our influence among the increasingly important developing countries, which provide a \$17 billion market for our exports and supply 60 percent of our import requirements in eight essential industrial raw materials. Because of this increasing economic interdependence, it is vital that we support the IDA in its endeavor to supply long term interest-free loans to the less-developed countries of the world. In turn, much of the assistance comes back to the United States in the form of goods and services and a net favorable impact on the balance of payments.

But, for all the benefits which may accrue, I must say that we are not a nation motivated purely by self-interest. Mr. Chairman, we have a moral obligation to help the poor, less fortunate people of the world, particularly those in countries having a per capita income of less than \$120 a year. The "soft loans" of the IDA assist in the undertaking of valuable long term economic development projects. In other cases, when the money is re-lent, it is loaned at rates far lower than rates which have existed in the past. In this fashion, the poor in these developing countries are assisted while the countries themselves are progressing towards their full economic potentials.

Mr. Chairman, I have long supported the programs of the IDA. I strongly agree with the Banking and Currency Committee in its view that the International Development Association has the expertise, experience, and freedom from political considerations which allow it to "influence developing countries to become both more productive and more self-reliant." I urge the House to pass H.R. 15465.

Mr. PATMAN. Mr. Chairman, I ask that the Clerk read the bill.

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

The CHAIRMAN. Evidently a quorum is not present.

The call will be taken by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

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

The Committee will resume its business.

Mrs. SCHROEDER. Mr. Chairman, the United States has a vested interest in providing the underdeveloped countries of the world with the tools to promote their economic and technical development. Our continued participation in the International Development Association, which is the world's single greatest source of easy loan money for the poorest underdeveloped countries, is one of the best ways we can accomplish this task.

I think the concern of many when the bill first came up in January during the height of the energy crisis—that the funds would simply pass through the hands of the recipient countries to the oil-producing nations to pay for increased oil prices—has been assuaged by further events and information on the sources and uses of IDA funding. These moneys go only for the capital costs of carefully chosen development projects, not for purchases of commodities such as oil. Most OPEC countries are not eligible for IDA credits because the loans go only to countries with annual per capita incomes of \$375 or less. Countries which have recently become large producers are being phased out of the IDA program.

On the other hand, the reality of a critical food shortage, and higher fuel and petrochemical fertilizer prices, are having a devastating impact on the underdeveloped countries. It has been estimated that developing countries last year paid an additional \$15 billion for oil and food and fertilizer imports. These developments make it even more imperative that we assist these countries in their struggle to become self-sufficient in food production. The priority which IDA has given to agricultural and educational projects commends it highly in this regard.

A significant change has been made in the earlier bill to meet another frequently voiced concern—that the \$1.5 billion authorized would be an unwarranted drain on our tax dollars during a time of inflation and economic uncertainty. H.R. 15465 stipulates that the \$1.5 billion authorized would be paid in four annual installments, rather than three as in H.R. 11354. This would reduce the annual level of U.S. contributions from \$500 million in the earlier bill to \$375 million, making it less than the present annual level of \$386 million. The latter is composed of \$320 million, plus \$66 million which is required to maintain the real value of U.S. funds following the two devaluations of the dollar. It is important to note that the provision in former replenishments which required

maintenance of value has been dropped, so the U.S. share will not increase if there are further devaluations.

While our payments would go down under this bill, the contributions of other donor countries, under the new replenishment formula worked out in the 1973 Nairobi conference, will go up. The U.S. percentage share will decrease from 40 percent to 33 percent. I was shocked by India's detonation of a nuclear device when she has unspeakable poverty. To divert scarce resources into a nonproductive use such as a nuclear explosion while many go hungry is not a policy we should support.

The passage of the amendment instructing the U.S. Governor on the IDA Board to vote against loans of IDA funds to any country which is not a party to the nuclear nonproliferation treaty allows me to support this bill. We have a special responsibility to countries with destitute populations but we must also use every opportunity to use our influence to limit the proliferation of nuclear weapons. The IDA bill as amended fulfills both responsibilities.

Mr. MOSS. Mr. Chairman, I rise to explain my vote against H.R. 15465, though I believe IDA is a program which deserves support, the coupling of that measure with the legislation of gold forced me to vote against that bill.

We are now in a period of inflation bordering on the runaway. The Consumer Price Index has increased over 45 percent since 1967. Since inflation is classically an imbalance between supply and demand, any legislation which might hamper efforts to increase supply must be marked as potentially inflationary.

Recently I attended the Democratic Steering Committee session at which a group of distinguished economists discussed the many problems besetting our economy. One of these is a lack of capacity in basic industry, particularly in the iron, steel, oil, gas and paper industries. To solve this problem, capital must be available to flow into these industries. I believe that the legalization of gold may misdirect our capital resources away from production and into a sterile metal.

The "gold bugs" as they are called have little faith in the American economy. Mr. Harry Browne, author of "You Can Profit From a Monetary Crisis," advises not only the purchase of precious metals but the stocking of some retreat with food and other commodities to survive a period of economic chaos. But the freezing of necessary capital in an unproductive medium will make economic stabilization more difficult. Large amounts of money are already flowing in this direction. The Commerce Department reports that the imports of "metal coins, numismatic" more than doubled last year to \$59 million—*Fortune*, June 1974, page 152.

How much more capital will flow into precious metal speculation if the imprimatur of the Congress is placed on gold ownership? One can only speculate. However, this very lack of knowledge argues for a very careful look at gold legalization. I do not believe that sufficient research has been undertaken to enable us to intelligently make a decision

on section 2 of H.R. 15465. I note with concern that the report which accompanies this legislation—Report No. 93-1142 page 13—devotes only three small paragraphs to this issue. Further, I note the statement of Representatives GONZALEZ and STEPHENS that:

Nobody really knows the consequences of this gold ownership provision; apparently no one cares to ask, preferring to concentrate on clever maneuvers than sound legislative procedure. This despite the fact that neither the Secretary of the Treasury, nor Chairman of the Federal Reserve Board, thinks it wise to set a date certain for repeal of the gold restrictions. And this despite the fact that present law allows the President to lift these restrictions at any time.—Report No. 93-1142, p. 19.

Finally, Mr. Chairman, I would point out that the news of the moment suggests that the international gold market has "topped out." This indicates the decisions of the large numbers of sophisticated investors now active on the international gold markets. This reflects an increased confidence in the international economic situation. It suggests, further, that unsophisticated investors entering the market today would initially bid prices up and then reap tragedy as prices subside to normal levels.

Therefore, Mr. Chairman, because of this lack of information on the economic impact of gold ownership and the potential drubbing unsophisticated investors may receive if they now enter the market. I am forced to vote against H.R. 15465.

Mr. BIESTER. Mr. Chairman, I am pleased that the House has an opportunity to review its earlier decision against authorizing funds for the International Development Association, and I strongly urge my colleagues to use this occasion to give this measure the support it deserves.

H.R. 15465 will authorize U.S. participation in the International Development Association through contributions to the fourth replenishment of funds. We are talking about a U.S. contribution of \$1.5 billion, in four equal installments of \$375 million, with an additional \$3 billion being put up by other participating developed nations.

IDA funds are made available to the approximately 80 countries which have an annual per capita income of \$375 or less. The bulk of this credit financing goes to about 30 countries with yearly incomes of less than \$130 per person. More than one billion people are benefiting from the existence of IDA through multilateral funding of agricultural and transportation projects, electric power plants, education programs and other activities supportive of economic development and overall improvement of social and health conditions.

IDA-financed projects in Africa, with which I am most familiar, include an agricultural program in Malawi which has doubled the acreage yield of maize, a large-scale agroindustrial complex in Cameroon, a critical railway linkage between Mali and Senegal, school construction and teacher training in Kenya and health-related programs in Upper Volta, Cameroon, Malawi, Mali, Malagasy,

Ghana, the Ivory Coast, Dahomey, Niger and Togo.

To these countries, IDA assistance is not an expendable alternative, it is an essential prerequisite if they are to realize any appreciable degree of self-advancement. The less developed countries lack the internal resources to initiate basic self-sustaining development projects and because of their lack of resources they are unable to borrow money through customary international channels.

As we here in the United States continue to experience inflation and high living costs, many citizens are skeptical of foreign aid programs and the outflow of U.S. dollars and agricultural goods. As my colleagues know, IDA is not a foreign aid program, and it would be incorrect to characterize it as such or for the American people to interpret it in this way. Rather, IDA can be looked upon as an investment by the United States for the mutual benefit of the developing nations and the United States.

Concern for the economic well-being of the United States and all of its citizens is contingent upon a forward-looking, open trading policy which takes into account a continuously changing international picture and a growing interdependence among all nations. Past experience with IDA has demonstrated that we can expect a 60-percent return on our commitment of funds to these poorer developing nations. While we are not participating in IDA to somehow come out ahead with a profit, critics of IDA should realize that these nations we help financially are, at the same time, key purchasers of American-made products and goods. The less developed countries have been a reliable and significant contributor to trade surpluses. In 1972 exports to these countries represented 30 percent of our total exports.

This has a sound and positive impact on our balance-of-payments situation—a fact we cannot overlook or underestimate. Over the past 5 years we have purchased \$46 billion worth of goods from the 66 nations we have helped through IDA, but in turn these countries have purchased from us goods worth \$60 billion. This represents a \$14 billion balance to our advantage. When we consider that our purchases are most often of critically needed raw materials and their purchases are of our finished goods, we enjoy a very acceptable relationship. Trade with these developing nations brings to the United States 99 percent of our natural rubber imports, 53 percent of hardwood lumber imports, 37 percent of iron ore imports, 79 percent of copper ore imports, 98 percent of bauxite imports and 48 percent of petroleum imports, excluding those imports from Arab States.

Our involvement in IDA is essential for its operation let alone its continued success. From a humanitarian viewpoint, our withdrawal would be unconscionable and a most regrettable refutation of our longstanding commitment to furthering international well-being. From a self-interest point of view, our financial assistance abroad works toward economic growth here at home through increased demand for American-made goods and

agricultural commodities. Our sharpened awareness within recent years of the limited availability of critically needed raw materials and minerals underscores the need for an enlightened financial and trading relationship which acknowledges the extent to which the United States is dependent on others.

Whether our perspective is humanitarian or self-interest or a mix of both, our participation in IDA is a sound pledge which should be renewed, and I strongly urge my colleagues to stand by this commitment.

Mr. METCALFE. Mr. Chairman, I rise in support of H.R. 15465 to continue authorization for the International Development Association. I would like to address myself specifically to the issue of IDA funding. As most of us know, IDA was established in 1960, largely due to the initiative of the U.S. Congress. IDA's purposes at that time were to promote economic growth, to increase productivity, and in turn raise the standard of living in developing countries. When you consider that 100,000 people starved to death in Ethiopia last year and that more than a million people are on the verge of starvation in Niger, I think it is readily apparent that IDA's purposes remain as relevant today as 14 years ago.

The United States is presently attempting to convince other nations, particularly developed countries, that multilateral approaches to common problems must be pursued when nations are highly dependent upon one another. IDA funding offers us a chance to back up that rhetoric with performance and to strengthen political interdependence, both among developed countries and between developed and developing nations. IDA funding gives the United States both the political and economic credibility that we need in this increasingly interdependent world and at the same time demonstrates our genuine concern with the pressing problems of developing nations. If and when the tables are ever turned, such as in the case of the projected raw material shortages that are expected to begin as early as 1980 in the United States, a spirit of cooperation and mutual understanding is likely to be of great value.

IDA supports developmental programs in such areas as education, health, transportation and agriculture. While IDA does not provide funds for the immediate consumption of any commodity, including oil, it does provide funds for programs such as drought relief for the Sahel and reconstruction programs in earthquake shattered Managua. IDA provides the opportunity for developing nations not only to survive these disasters, but in many cases to avert them altogether, with funding for such programs as irrigation improvement, projected manpower needs, and disease control. The fact that developing nations are given the tools to use their natural resources in their efforts to become fully developed nations, is probably the most important effect IDA can have.

IDA credits are long-term, low-interest loans provided through funding from 25 highly industrialized nations. The United States' share will be reduced

from 40 percent to 33 1/3 percent of the total in this the fourth replenishment of IDA funds. The \$1.5 billion U.S. contribution will be spread over a period of 4 years, at an annual rate of \$375 million beginning in fiscal year 1976. This represents an annual cut of \$11 million from present appropriations. In comparison, this \$375 million represents only 15 percent of our total annual aid to South Vietnam alone. Foreign aid through a multilateral funding organization such as IDA gives the United States, in very basic terms, the best buy for the money, in terms of humanitarian interests, political interests, and economic interests.

Last September in Nairobi, an agreement by IDA member nations was reached; simply stated it says—if any IDA member fails to fund his share, all other members are released from their obligation to fund IDA. In other words, if this Congress fails to appropriate replenishment funding for IDA, we run the risk of not only destroying IDA, but also destroying our own political and economic credibility in the eyes of the world.

Finally, considering the fact that more than 70 percent of all IDA credits go to countries with an annual per capita income of less than \$120 per year and are for such basic developmental programs as health and education, I think we have nothing short of a moral obligation to continue IDA funding.

It is for these reasons that I strongly support this bill, and I urge my distinguished colleagues on both sides of the aisle to vote for continued U.S. support of the International Development Association.

Mr. HAMILTON. Mr. Chairman, I am pleased that the House has another chance this afternoon to pass the bill to fund the U.S. contribution to the International Development Association—IDA. I was most disappointed that the House voted on January 23, 1974, to kill its first version of the funding bill, H.R. 11354, and I hope it will reverse that decision today.

This bill, now H.R. 15465, would fund the \$1.5 billion U.S. contribution to the fourth replenishment of IDA's financial resources, and there are several compelling reasons why it should be passed. If the bill is defeated, the United States as well as potential recipients of IDA loans will all be the losers.

WHAT IS IDA?

To clear up any uncertainty about who is helped by the International Development Association, it should be noted that this organization—created in 1960, largely at the initiative of Congress, as a member of the World Bank Group—acts as a primary channel through which to direct long-term, interest-free loans—not grants—to the most destitute of the world's countries. One criterion for loan recipients is a per capita annual income of \$375 or less, and more than 70 percent of the loans have gone to the poorest of the poor, the 28 "have not" nations with a total population of more than 1 billion people and a per capita annual income of \$130 or less. This income figure is less than 3 percent of the estimated

1972 U.S. per capita annual income of \$4,480.

Failure of the Congress to pass this bill does not merely mean that IDA will limp along without U.S. funds. It means IDA will come to a grinding halt. Resources currently available to IDA were expected to be fully committed by the end of last week, the end of fiscal 1974.

Under IDA procedures, the fourth replenishment of these resources, the U.S. contribution to which is contained in the bill, cannot become legally effective without U.S. participation. Defeat of the bill would mean that the total amount of the replenishment, \$4.5 billion, would be denied to the poor of the world.

It is important to point out, Mr. Chairman, that the IDA replenishment bill does not represent the bilateral type of foreign aid legislation that has been subject to increasing criticism in recent years. On the contrary, it is an excellent example of an international burden-sharing arrangement. Moreover, the U.S. share of the burden has been declining with each successive replenishment of IDA's finances, and it is down to 33 percent in the bill we are voting on.

WHY IDA FUNDING IS NEEDED

The main reasons for supporting this bill are based on moral, political, and economic grounds.

The United States, as the richest nation on Earth, has a moral obligation to be the world leader in providing economic assistance to those nations less fortunate than ours. In brief, we cannot live on an island of affluence in a sea of poverty. The obligation to alleviate suffering exceeds any obstacles of nationality.

There are political and diplomatic reasons, as well, for supporting funding of IDA. Institutions such as IDA form a part of an international system of cooperation, with agreed-upon rules of economic behavior between nations, which, as former Secretary Shultz has pointed out, the United States is still trying to improve and strengthen. From the viewpoint of foreign relations, IDA and other international financial institutions are an important part of the system that has developed since World War II to handle multilateral economic issues on a cooperative basis. The key here is cooperation. If the developing countries should come to feel that the United States is not doing its fair share in the financing of development projects, they could decide not to cooperate with us on any of a number of fronts, such as raw material prices and expropriation of our investments.

Congressional support for IDA makes economic good sense, too, and this is perhaps the most important reason for the passage of the bill.

The world economy is not a one-way street; development assistance brings mutual benefits to industrialized and less developed nations alike. The fact is that our own welfare and progress are linked with the economic realities of the rest of the world. The developing world is important to the United States, not just politically, but economically as well.

How important? Our failure to support IDA could undermine reliable and vitally

needed supplies of raw materials, energy, and minerals which our own economy will require for the future. The United States already depends on imports for over half its supply of 6 of the 13 basic raw materials.

Just as the LDCs are a market for the United States, we are a market for them. Our exports to the developing countries amounted to \$14.6 billion in 1972, or about 30 percent of our total exports.

CONCLUSION

The United States can easily afford to participate in the fourth replenishment of IDA's resources. Our last annual contribution represented only three one-hundredths of 1 percent of our gross national product, and only one-tenth of 1 percent of our budget.

Can we afford not to participate? I think not. Support for IDA is in our national interest, and I urge my colleagues to give H.R. 15465 favorable consideration this afternoon.

Mr. MCCLORY. Mr. Chairman, I am pleased to have this opportunity to speak in support of H.R. 15465, providing for continued participation by the United States in the International Development Association.

The proposed IDA legislation serves the international economic interests of the United States without jeopardizing our domestic interests. All other industrialized nations have agreed to this new contribution and U.S. failure to participate would be interpreted as unwillingness on our part to support our fair share of this initial international effort.

As well as our international responsibility we have a humanitarian concern for helping the disadvantaged that live in one-third of the world's nations and constitute one-half of the world's population. These are the nations and people with per capita incomes below \$375 a year and often even below \$100 a year. These poorest of nations, in which the majority of the world's population reside are threatened with destitution and starvation as they face the problems of rising costs of energy as well as fertilizer and food. With few exceptions, these poorest of nations are struggling to maintain already low per capita incomes.

IDA credits are necessary for agriculture to increase the world's food production; and, for education and public health, to increase the abilities of people to produce and earn a sustainable living in basic human dignity. If IDA did not furnish the funds, the majority of development projects would not be carried out because these nations simply do not have the domestic savings or a sufficient international credit standing to finance them alone.

Beside the humanitarian benefits, IDA stimulates increased production in areas of great importance to our country. The developing world provides 60 percent of our import requirements of eight essential industrial raw materials, as well as a growing market for U.S. goods which is already in excess of \$17 billion.

In the past there was concern that IDA funds would be routed to the oil producing countries of the Middle East, whereas, in fact, these countries have provided

40 percent of the World Bank's borrowings during 1974. The World Bank has obtained \$738 million the past 6 months from seven of the Mideast OPEC nations, including Iran, Saudi Arabia, Libya, United Arab Emirates, Kuwait and Oman.

Agreements are currently being reached which would make these loans a concessionary gift. Kuwait has joined as an active member in the fourth replenishment of IDA and other oil-producing countries are expected to follow Kuwait's example.

If these countries, which are currently in the developing stages themselves, can participate in the IDA replenishment, certainly a nation such as ours should bear its fair share.

Our participation in the fourth replenishment of IDA is of great significance, both morally and economically.

I, therefore, urge all my colleagues to join me in supporting this worthy international effort to eradicate economic underdevelopment.

Mr. Chairman, I am also extremely pleased to note that this piece of legislation will also end the archaic ban on the private purchase, sale, or ownership of gold by American citizens. The basic American right to own gold has been denied our citizens for far too long. The prohibition on private ownership has deprived the American people of one of the most attractive investment opportunities available in times of high inflation such as these.

In brief, Mr. Chairman, all the original reasons for the ban on private ownership of gold have long since lost their legitimacy. I ask my colleagues to vote today to legalize private ownership of gold and defeat any amendment to delete the gold ownership provisions of this legislation. As a package, this bill can achieve two very worthy objectives—both the replenishment of IDA and the legalization of gold ownership. Let us keep this bill intact as it was reported by the Committee on Banking and Currency; it is a good piece of legislation and it deserves our full support.

Mr. LEGGETT. Mr. Chairman, I should like this afternoon to review the basis for my support of the measure under consideration.

The IDA replenishment bill has been portrayed in some quarters as the product of misplaced sympathy. I should like to recommend a different view; simply that the measure under consideration is the sturdy descendant of traditional and current American ideas of the national interest and humanitarian concern.

Even those holding the most diverse views of what the national interest is are able to see that IDA replenishment serves the most basic concerns of our Nation. For if our concern is maintaining an influence on the course of events beyond our shores, this act serves our concern, for without renewal we will assure that we will have played no role in many decisions affecting millions. We will have abdicated to the forces of politics and nature external to our own influence. If we are to retain a vigorous voice purchased by years of aid to those of other nations continuation is needed.

If our concern is the vigor of the domestic and foreign economies, then this act, too, serves that concern. The increased production which IDA stimulates in the developing world is needed to supply the increasing demand for many raw materials which we must import. Further, by assisting an organization interested in long-term development, we help eventually to provide a market for our own goods in places where the demand for them is small or nonexistent.

If our concern resides in fostering a world of responsible nations, then IDA still serves our concern. While IDA credits have traditionally never gone to oil-producing nations, it is clear that as of late those nations have been using portions of their new found wealth to assist developing nations. Perhaps the most effective way to torpedo these nations' sense of responsibility is to withdraw from IDA.

Some have contended that IDA will have adverse budgetary and balance-of-payments effects. It is important to remember that the costs of the program are to be spread out from fiscal year 1976-1979, with very little impact to be felt in the early years. While participation in IDA does involve a balance-of-payments outflow, it must be remembered that the provisions of the act minimize the budgetary impact of the outflow, and that when the cost of the balance of payments to IDA is considered in the context of all World Bank activities, inflows far exceed outflows. As for IDA itself, it must again be remembered that the production facilities stimulated, and markets to be created will again aid our balance-of-payments picture.

Gentlemen, while our consideration of any program must respect costs and benefits in dollars, there are planes of consideration that are removed from economics. The moral concern of the American people for the well-being of others is a fixture of the historic landscape. Do we choose now to rebuke that landscape, or do we choose to enhance it? I would hope that we do not desert an area of foreign relations inspired by the concern of our people.

I need not remind you that the Malthusian horsemen are trying to get full rein. I need not remind you of the hundreds of millions, who, as we sit today are starving in sub-Saharan Africa, Asia, and the Americas.

In addition, on a separate part of the bill, it must not be forgotten that a revitalized domestic gold market can only help stimulate those areas of the nation where gold production is marginal. In many areas of the United States including my Yuba Congressional District, there is still gold in the ground; but in today's market the costs of extraction are just now being exceeded by the work of the final gold product.

I, therefore, urge the adoption of the measure.

Mr. BRADEMAS. Mr. Chairman, I rise in support of H.R. 15465, the bill authorizing the United States to contribute to the International Development Association over a 4-year period.

Mr. Chairman, last week the 186th general assembly of the United Presbyterian church in the United States, at its

annual general assembly in Louisville, Ky., adopted a resolution to support this legislation, providing for U.S. replenishment of the International Development Association, as well as House Resolution 1151, which would urge the United States to take a leadership role in reducing famine and human suffering in the world.

Mr. Chairman, I insert at this point in the Record the text of the resolution to which I have referred:

RESOLUTION ADOPTED BY THE 186TH GENERAL ASSEMBLY OF THE UNITED PRESBYTERIAN CHURCH IN THE U.S.A.

Whereas many competent experts predict a disastrous food shortage for millions of poor people around the world in the coming months and probable mass starvation; and

Whereas the God whom we serve requires us to seek justice for all persons and nations, and to demonstrate particular concern for the weak and needy; and

Whereas, the United States, as the wealthiest nation in the world and the principal food supplier for the world, has a moral obligation to assist impoverished and hungry nations; and

Whereas two measures which would demonstrate the intention of the United States to act responsibly in the world food crisis situation are now pending before the United States Congress; and

Whereas the 179th General Assembly of the United Presbyterian Church in the U.S.A. (1967) strongly endorsed economic assistance for developing countries and recommended foreign aid initiatives to increase food production and distribution; and

Whereas in the last several years changing climatic conditions and national disasters have dealt extensive damage to vast amounts of farm production in several areas of the world; and

Whereas the 114th General Assembly of the Presbyterian Church in the U.S. (1974) has adopted this same position;

Therefore, the 186th General Assembly (1974) of the United Presbyterian Church in the U.S.A.:

1. Respectfully petitions the House of Representatives to enact without delay H.R. 15231, a bill authorizing the United States to contribute \$1.5 billion to the Fourth Replenishment of the International Development Association over a four year period, a similar bill having already passed the Senate.

2. Respectfully petitions the Senate to adopt S. Res. 329 and the House to adopt H. Res. 1155, identically worded resolutions which express the sense of the Congress that the United States ought to take the lead in an international effort to reduce the risk of famine and lessen human suffering.

3. Respectfully petitions the President of the United States and his Administration to expand immediately food and agricultural assistance to the developing nations and to provide leadership in an international effort to deal constructively with the crisis, as called for in the resolutions before the Congress.

4. Commits itself anew to work for the relief of hunger and the development of all nations, and pledges its support for all responsible governmental actions in this cause, even though they may require increased taxes.

5. Directs its Stated Clerk to send copies of this resolution to the President of the United States, the Secretary of State, the Secretary of Agriculture, and to all members of the Congress.

6. Requests its General Assembly Mission Council to provide leadership and resources for the church in this cause.

Mr. COTTER. Mr. Chairman, I am very concerned by the terms of consideration

of H.R. 15465, a bill to amend the International Development Association Act.

It is well known that this bill covers two unrelated matters: U.S. contributions to the soft loan window of the World Bank, the International Development Association, to assist poorer nations of the world; and a mandatory amendment to allow private ownership of gold by December 31, 1974.

Back in January when the United States was reeling under the impact of the Arab oil embargo, the House overwhelmingly rejected the IDA legislation. My own vote against the U.S. contributions to IDA was determined by the intransigence of the oil-producing Arab nations who, while holding billions of petro dollars, refused to aid their less fortunate neighbors. This situation has changed some, but still the Arab nations refuse to assume a larger share in assisting underdeveloped nations. The rising cost of oil has increased the balance-of-payments problems not only for the United States but also, more severely, for the undeveloped nations. In light of the fourfold increase in Arab oil prices, and the billions of dollars in cash reserves being accumulated by oil rich Arab nations, I believe that these countries can and should do considerably more.

However, I further believe that the United States should continue its support of IDA but at a more reasonable level given our own severe balance-of-payments problems and our own domestic inflation. This new bill reflects my concerns by lowering the U.S. share in IDA from 40 percent to 33 1/2 percent and by stretching out the U.S. payments over a longer period of time to lessen the impact of the U.S. budget.

The most persuasive argument, however, is the need of these less developed nations. IDA only provides these special long-term, low-interest loans in nations where the annual per capita income is less than \$375. By assisting these less fortunate nations, the United States continues its humanitarian role which has to be an essential ingredient of our foreign policy.

I voted in committee to oppose this legislation and my vote was determined by the issue of private ownership of gold. As has been pointed out over and over this nongermane amendment was added to attract additional votes. But I am concerned that this nongermane amendment is not as harmless as its proponents assert.

I was amazed and a little chagrined to have this issue voted in full committee without a clear-cut understanding of its effect on the international monetary agreements or its effect on our own domestic economy. In my concern, I wrote to the Secretary of the Treasury, Bill Simon, asking for his analysis of the amendment. The response, which I just received, stated strongly that Secretary Simon would prefer no mandatory date as in the proposed legislation, but concluded that:

Given our analysis of the situation I cannot present a case that repeal of our gold regulation would, in any sense, be catastrophic.

Yet, the Secretary goes on to say that any sudden surge in gold buying could be offset by the operations of the Federal Reserve System and sale of gold from our own U.S. reserves.

While I do not question the analysis of the Secretary of the Treasury, it appears that the two steps to handle the consequences of private ownership suggests that there is at least some reason to question the wisdom of the legislating of private ownership of gold. For instance, I am concerned that the private ownership of gold will further diminish the availability of venture capital in the United States, and that the sale of U.S. gold reserves might affect international monetary negotiations, even though the United States has broken away from the gold standard.

For the benefit of my colleagues, I am enclosing a copy of Secretary Simon's letter:

SECRETARY OF THE TREASURY,
Washington, D.C., July 1, 1974.

Hon. WILLIAM R. COTTER,
House of Representatives,
Washington, D.C.

DEAR MR. COTTER: I am sorry to learn from your letter of June 21 that the gold ownership amendment to the IDA legislation might cause you to not support the IDA replenishment.

I agree with you that it would be preferable if no mandatory date were set for repeal of the present restrictions on gold ownership. While I do believe gold should be treated as other commodities and Americans allowed to deal in it, I also agree with you that caution in making this move is called for. As I have said publicly, I would hope that conditions would be such that I could recommend repeal of the regulations by the end of this year. But I have also pointed out that such a recommendation on my part would be conditional on a declining rate of inflation to minimize a large, even if short-lived, shift from money to commodities, and that further progress should be made in the monetary reform negotiations looking toward a diminishment of gold's monetary role.

Thus I too would prefer that a mandatory date not be set, but given our analysis of the situation, I cannot present a case that repeal of our gold regulations would, in any sense, be catastrophic. One concern has been that opening up the long-closed door to gold ownership by Americans could result in a sharp bidding-up of the market price of gold, causing confusion in other commodity markets and in the exchange markets. In this connection, I have noted that the Treasury could sell some gold from its very large stocks to meet some, or all, of any new demand created by repeal of the regulations. While we would clearly not intend to maintain the market price of gold at any particular level, the possibility of Treasury sales should alleviate the fears of those who use gold for commercial purposes. Rather than American ownership leading to higher prices, it could lead to lower prices.

Domestically, it would also seem likely that the effect of any sudden surge in gold buying on the money supply could be offset by operations of the Federal Reserve System, which has many times in the past had experience in coping with large flows of funds derived from disturbances extraneous to our domestic monetary requirements and policies.

With respect to the effect of private U.S. ownership of gold on the overall international monetary reform negotiations, there is general agreement that gold should play a diminishing role as a monetary asset. It is consistent with this view that private ownership of gold be treated in the same man-

ner as other commodities. While it would be preferable to maintain the provisions of existing legislation giving the President discretion to determine when private ownership would be consistent with our monetary reform objectives, I nevertheless believe that the bill now before the House provides some time to reconcile private ownership of gold with those reform objectives.

Unfortunately, there is little historical experience to which we can refer to assess just what degree of interest Americans will have in buying gold once it is allowed. We do know, however, that the commercial demand for gold in jewelry has declined at present prices and that when our regulations were liberalized last fall to permit the purchase of gold coins bearing mint dates before 1960, demand was not extreme and such surge as took place rapidly diminished.

I very much hope that this will answer your questions and persuade you that the amendment to the IDA legislation concerning gold ownership is not of such a nature that it should influence your support of IDA. I need not repeat here all of the reasons given in my previous letter as to why the IDA legislation should be strongly supported.

Sincerely yours,

WILLIAM E. SIMON.

Mr. Chairman, I am very concerned about this issue of private ownership of gold, and will vote to strike it from the bill and if this is not successful I will be seriously tempted to vote against the entire bill.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of H.R. 15465 which authorizes a \$1.5 billion U.S. contribution to the International Development Association in four annual installments of \$375 million each.

Mr. Chairman, IDA is the soft-loan window of the World Bank, making loans available to needy nations for development projects on a long-term, low-interest basis. The United States is joining with 24 other industrialized countries in this fourth replenishment of IDA, and I think it is significant to note that our share of the total in this round is 33.3 percent as compared with 40 percent in the previous round. Both Japan and Germany have substantially increased their shares in this fourth replenishment.

Mr. Chairman, I have long favored moving from bilateral to multilateral assistance programs, and IDA stands as the single largest source of multilateral financing. For too long this country assumed the primary burden of assisting developing nations, and this not only caused financial problems for us, but tended to strain our relations with other countries whose overdependence on the United States often produced more resentment than gratitude at our paternalistic role. By indicating that we will no longer serve as the chief development agent in the world and are willing to work through multilateral channels, we are encouraging other developed countries to play their rightful role—especially those countries which have made a remarkable economic recovery since World War II.

Mr. Chairman, this country can well be proud of its long tradition of helping the less fortunate countries of the world. I think it is important that we maintain this humanitarian value on an international basis and contribute our fair

share to narrowing the gap between the rich and poor nations. IDA loans are specifically targeted at the poorest of the poor nations, those with per capita incomes of \$375 and less, repayable over a 50-year period at no interest. In fiscal year 1973, for example, the IDA extended \$1.36 billion in credits for 75 projects in 43 countries, 75 percent of which had per capita incomes of \$125 or less. The loans finance projects in such fields as transportation, agriculture, health and education, and the projects are aimed primarily at benefiting the low income sectors of the recipient countries.

Mr. Chairman, I appreciate the fact that many Americans are of the opinion that humanitarianism was fine in its time, but that we are now confronted with our own domestic problems and economic difficulties. Why, they ask, should we help these other countries when we are not doing enough to help our own people. It is sometimes difficult to impress on the American people that we are all now caught up in the same problems on this small global sphere we call Earth—that the problems of other countries are our problems; that their economic well-being reflects on our economic well-being; that peace in the third world may well determine whether the United States stays at peace.

It is therefore difficult to convey just how our contribution to IDA in effect helps us as well. And yet it does. But the fact is that 60 percent of our import requirements for the eight essential raw materials are provided by the developing world. In addition, these countries provide in excess of \$17 billion in markets for U.S. exports. And, roughly half of what we provide through IDA can be expected to be spent on U.S. goods and services.

When a bill similar to this was defeated in this body last January, it was primarily a result of the energy crisis we were experiencing and resentment against both rising oil prices and the oil embargo imposed on us.

We have now passed through that crisis, the embargo has been lifted, and I think we can now look at the need for this legislation in a more objective and less emotional context. First, it should be noted that IDA credits have never gone to the traditional oil producers and they are being phased out for the newer producers. Second, IDA funds are not used to finance oil purchases by the non-producing countries since they are targeted at specific development projects. Third, the oil-producing nations are beginning to realize that they too have a role to play in international development: they have pledged \$3 billion to a special facility in the International Monetary Fund to help countries cope with price increases; and they have already purchased \$600 million in World Bank bonds to permit further development lending.

Mr. Chairman, the United States is currently working on a number of fronts to improve our relations with other countries and thereby build a lasting structure for peace and strengthen our own economic position in the world. If we re-

nege on our longstanding commitment to the IDA, we will also be undermining these other efforts, particularly in the areas of monetary reform and trade. Furthermore, if we fail to make our contribution to this fourth replenishment, the multinational arrangement upon which this replenishment is based will not come into effect, and IDA funds will be exhausted. I do not think the Members of this body will want to bear the responsibility for killing the largest and most effective multilateral development financing program in existence. We owe this legislation not only to the developing countries, but to ourselves as well. I urge passage of this bill.

Mr. CRANE. Mr. Chairman, I rise in support of the bill H.R. 15465.

When the House of Representatives last considered the International Development Association on January 23, 1974, I opposed it. I have become a supporter of the legislation for the following reasons:

First. I have been a long-time supporter of the right of American citizens to buy, sell, and hold gold; in the Banking and Currency Committee, we introduced an amendment which calls for the restoration of this right on December 31, 1974, unless the President acts prior to that date. I strongly supported this amendment because I believe it is high time this right is restored to all American citizens.

Because the Senate has already acted on its bill, S. 2665, and because it includes an amendment which also will permit American citizens to own, buy or sell gold on or before a date certain, the only point in dispute when the IDA bill passes the House and then goes to conference will be to compromise on the effective date. H.R. 15465 provides for the right to be restored on or before December 31, 1974. The Senate language provides for the right to be restored on September 1, 1974.

In addition, in response to a series of specific inquiries to Secretary Simon, Under Secretary Volcker and Assistant Secretary Hennessey, I have been reassured on a number of points which concern me and many of my colleagues with regard to the International Development Association.

I include the text of Under Secretary Volcker's letter to me of June 14, 1974, in the RECORD at this point:

UNDER SECRETARY OF THE
TREASURY FOR MONETARY AFFAIRS,
Washington, June 4, 1974.

HON. PHILIP M. CRANE,
House of Representatives,
Washington, D.C.

DEAR MR. CRANE: You raised a number of points regarding IDA practices and policies during the June 11 hearings of the International Finance Subcommittee of the Banking and Currency Committee. This letter provides responses to those points, generally in the order in which you brought them up, with the exception of private ownership of gold to which we have addressed ourselves separately.

By way of general introduction, I wish to point out that U.S. participation in the proposed Fourth Replenishment of IDA will provide the Association with the resources needed to carry out its program. U.S. failure to participate in IDA will not only mean the collapse of the institution's ability to carry out agreed policies, but also the loss

of much of the leverage available to the United States for affecting policy in the World Bank group of institutions.

A concrete example relates to the question of IDA lending to South Vietnam. Since all of IDA's present funds will be committed by June 30, future loan assistance to South Vietnam depends on U.S. action giving promise that the Fourth Replenishment will come into effect. If IDA is assured of Fourth Replenishment funds, there is no reason not to anticipate an appropriate volume of IDA assistance.

The World Bank has, in fact, been working toward establishment of a consortium of donor countries for aid to IDA members in Indochina. In this connection, the U.S. Government has expressed to the IDA management its view that an initial annual lending program for Vietnam of perhaps \$60 million could usefully be carried out. The IDA management, in turn, has indicated its willingness to make financing available to South Vietnam out of Fourth Replenishment resources, provided that IDA's normal lending criteria are satisfied and the security situation in the country permits.

Lending to Laos and Cambodia could also be anticipated out of IDA Fourth Replenishment resources. This fund would multilateralize and depoliticize the Southeast Asia reconstruction effort and take advantage of the special expertise and successful experience of the World Bank Group in reconstruction activities. These include lending for reconstruction of Europe and Japan after World War II and similar efforts after hostilities in Nigeria and Bangladesh.

Another example of the importance of U.S. participation in IDA in order to achieve important international economic objectives relates to the question of continuing membership of the Republic of China in the international financial institutions. This question is being examined within the respective Boards of Directors of the International Monetary Fund and the World Bank, and no new developments are anticipated at least until the annual meetings of these institutions in the fall. The United States is strongly supporting continued membership by the Republic of China, and while we can give no guarantees on their continued membership, there is no surer way of undermining their continued participation than to have the United States pull back from further financial participation in IDA.

There are at present no cases of which the Executive Branch is aware of IDA credits being proposed for countries that have expropriated foreign private investments without compensation. It is already the policy of the World Bank and IDA to withhold lending where such expropriations take place and compensation has not been provided, or unless reasonable efforts to arrive at settlements are being made. The stated World Bank policy is consistent with Executive Branch policy and with applicable statutory policy expressions.

There is no need for the U.S. Government to discuss with the World Bank withdrawal of Bank opposition to the granting of loans to the Government of Chile, since the World Bank does not oppose such loans. In fact, within the last six months the World Bank made three loans to Chile, and three additional loans are in the processing pipeline. The World Bank's earlier suspension of lending to Chile was based on its conclusion that the economic situation there had deteriorated to such an extent that effective use of World Bank funds was not possible and was also due to the absence of good faith negotiations on compensating U.S. investors for nationalized property. Economic policy reforms by the new government of Chile have significantly altered the prospect for the Chilean economy and good faith negotiations are now going forward on compensation of copper companies. A satisfactory agreement has already

been reached in this regard by the Government of Chile and the Cerro Corporation.

The announcement by India of its detonation of a nuclear device has raised legitimate concerns about the extent to which developing countries may be unwisely allocating too much of their resources to non-development purposes. In the Indian case, the Administration believes that the nuclear test explosion does give rise to questions about India's economic priorities for the future, although it is recognized that peaceful nuclear development, particularly in relation to nuclear power generation, is important for India's development. To the extent that India's nuclear efforts are directed towards peaceful purposes, the concern about the recent test disappears. The United States is sure that all aid donors will want to review carefully the implications of the Indian nuclear program in relation to India's long-range economic development. Since IDA normally monitors the appropriateness of budgetary policy of its borrowers—including the proportion spent for military purposes—and will not readily lend if an excessive proportion of a country's budget is being devoted to non-development purposes, there is no need for a special prohibition on IDA credits related to a particular type of military expenditure or to acquisition of military equipment from a particular source.

All of IDA's transactions, like those of the World Bank, are subjected to a comprehensive audit program by the public accounting firm of Price Waterhouse & Co. In addition, a system of internal financial audits and program evaluation audits is normally carried on by the Bank, and discussions are now reaching a final stage on the initiation, at the urging of the United States, of an independent evaluative audit mechanism covering a wide range of World Bank and IDA operations. The Treasury has drawn heavily on GAO assistance and advice in formulating its position in this area.

Although all IDA officials are subject to the conflict of interest rules of the World Bank Group, the idea of a system of financial disclosure by senior officials has merit and will be explored promptly with the World Bank.

Most OPEC member countries are ineligible for IDA credits under IDA's criterion of per capita GNP of \$375 or less. Only Indonesia and Ecuador were receiving IDA credits before oil prices went up; further lending to these countries has been terminated already or will be by June 30, 1974. Thus no special additional action is necessary to accomplish the termination of IDA lending to OPEC countries.

By its charter, IDA can only lend to its member countries. Rhodesia is not a member of IDA.

I hope the foregoing is responsive to your concerns regarding IDA and that you will find it possible to support the proposed legislation.

Sincerely yours,

PAUL A. VOLCKER.

Mr. Chairman, because of this response from Secretary Volcker to my series of inquiries at the subcommittee's hearings, my staff and I then held a series of meetings with various Treasury Department officials.

On the basis of the letter, and these meetings, I was pleased to join my distinguished colleagues on the committee from Georgia (Mr. BLACKBURN) and Pennsylvania (Mr. WILLIAMS) in preparing supplementary views on the bill.

I include those views at this point as a very important part of the legislative history of the bill, H.R. 15465:

SUPPLEMENTARY VIEWS TO H.R. 15465 OF CONGRESSMEN BEN B. BLACKBURN, PHILIP M. CRANE, AND LAWRENCE G. WILLIAMS

When the House of Representatives considered the fourth replenishment of the International Development Association on January 23, 1974, we opposed it.

We now support the new bill, H.R. 15465, for the following reason:

It contains Title II which restores to every American citizen the right to buy, sell, and own gold by a date certain.

Mr. Crane has been the primary House sponsor of legislation to restore the right and we are very pleased that the full committee has overwhelmingly voted its inclusion in this bill.

Because the Senate has already acted on its bill, S. 2665, and because it includes an amendment which also will permit American citizens to own, buy or sell gold on or before a date certain, the only point in dispute when the IDA bill goes to conference will be to compromise on the effective date. H.R. 15465 provides for the right to be restored on or before December 31, 1974. The Senate language provides for the right to be restored on September 1, 1974.

In addition, in response to a series of specific inquiries to Secretary Simon, Undersecretary Volcker and Assistant Secretary Hennessey, we have been reassured on a number of points which concern us and many of our colleagues with regard to the International Development Association. These reassurances include the following:

1. The Republic of Vietnam will receive favorable consideration for loans of \$50 million a year from this IDA replenishment.

2. Those members of the Organization of Petroleum Exporting Countries who have previously been recipients of IDA loans, will no longer be eligible for them.

In these meetings, we have also stressed the continuing concern of a number of our colleagues and us with regard to the following specific policies:

1. Continuing membership of the Republic of China in the IMF and the IBRD. It has been stressed to U.S. representatives of the IMF and the IBRD and Treasury officials that continuing membership for the Republic of China in the IMF and the IBRD will be a prime prerequisite for continued support of funding of IDA as it comes up for its annual appropriations process if H.R. 15465 passes. That is, the Congress will have the opportunity to review annually the funding of IDA and will, we believe, consider continuing membership of the Republic of China in the IMF and the IBRD as one of the prime prerequisites to any continued funding.

2. Purchase of military hardware by recipients from non-donor nations. A number of our colleagues expressed concern over the fact that some recipient nations of IDA purchased armaments from non-contributing nations (particularly the Communist countries.) We have expressed our concern over this and have been assured by officials that "IDA normally monitors the appropriateness of budgetary policy of its borrowers—including the proportions spent for military purposes" and that this close scrutiny will, in fact, be intensified.

3. Secretary Volcker has assured Mr. Crane in his letter of June 14 that "the idea of a system of financial disclosure by senior officials has merit and will be explored promptly with the World Bank." We support this move and trust it will be expeditiously considered and promptly implemented.

4. We have also expressed our deep concern over those recipient nations of IDA loans which have chosen to detonate nuclear devices. This is a particularly obnoxious action for several reasons: The first is quite obviously the diversion of resources from

more urgently needed priorities, such as feeding its own population, to a militarily destabilizing "pestige" project.

Equally important, however, is the fact that nuclear nonproliferation has long been a major premise of American foreign policy. A great deal of our foreign policy activity has rested on the premise that we will try to limit the proliferation of nuclear weapons wherever possible. For the United States, even indirectly, to support nations which are so clearly violating such a fundamental tenet of our foreign policy, is unthinkable to us and we believe to a majority of our colleagues here in the House. Therefore, we are pleased that World Bank and IDA officials will examine very closely their lending policies to any nation which may detonate a nuclear device. In his letter to Mr. Crane, Undersecretary Volcker noted that "the United States is sure that all aid donors will want to review carefully the implications of the Indian nuclear program in relation to India's long-range economic development."

In summary, because of the restoration of the right to own gold, and because of these major policy clarifications, we feel the bill H.R. 15465 is deserving of support.

BEN B. BLACKBURN.
PHILIP M. CRANE.
LAWRENCE G. WILLIAMS.

In conclusion, Mr. Chairman, I would only remind my colleagues that the concerns which we have raised, go beyond the so-called "gold question."

These discussions have done a great deal to clear the air on a number of major policy problems concerning IDA, as expressed in our supplementary views. As the Treasury officials are aware, and I presume that the officials of the IMF/World Bank group are aware, we shall continue to monitor closely through the appropriations process the vigor with which our concerns are pursued.

Because of these facts, I support the bill and I urge my colleagues to do likewise.

Mr. TOWELL of Nevada. Mr. Chairman, I have been listening with keen interest to the debate on the IDA Act before us today and let me state clearly that I am completely for the private ownership of gold by the U.S. citizens. We are the only economic power in the world that for the past 40 years has prohibited its citizens from buying, selling, and holding gold except for industrial and artistic reasons.

While country after country has raided our gold reserve and thus been able to stabilize their own treasuries and economies, we have ourselves failed to stabilize our own monetary system.

Today a gold ownership section has been added to the International Development Association Act. It is true that this bill will cost the U.S. Treasury \$1.3 billion in low interest loans, most of which I do not approve, and, in fact, voted against this bill which did not include the gold ownership section on January 23, 1974.

However, I now believe that the only way we can correct this 40-year tragedy of denying ourselves the right to own gold is to vote and pass this bill.

Hopefully, the Congress will then set about the business of correcting the abuses now inherent in the International Development Association Act, and I, indeed, as one Congressman, will be working toward that end.

Mr. BADILLO. Mr. Chairman, the International Development Association was created in 1960—to a great extent at the urging of the Congress—to provide essential loan assistance to the world's poorest nations. By furnishing credits to those countries of the third world which are generally unable to pay the World Bank's conventional interest rates on ordinary loans, the IDA aids numerous countries in initiating and carrying out urgently required self-help development projects.

During its 14 years of operation the IDA has assisted over 2 billion people in some 21 countries. Its agricultural projects have helped 1 1/4 million farmers and some 3.5 billion acres of land—which had previously been fallow—have been placed into cultivation. IDA has helped to provide critical health care to 21 million men, women, and children who previously received no medical attention and, by improving water supplies and sewage systems this agency has protected the health of 9 million people in five lands.

The legislation before us this afternoon authorizes the United States to join with 24 other industrialized nations in providing funds to the IDA for long-term, low-interest loans to the world's poor nations which are making valiant attempts to overcome poverty, disease, the ravages of nature, and other debilitating factors to achieve economic and social progress. The American share of the IDA funding has been reduced to 33 percent from the 40 percent of past replenishments. Over the 4-year period created by this measure the U.S. contribution of \$1.5 billion amounts to an annual contribution of \$375 million as compared with the \$386 million per year previously allocated to the IDA. Furthermore, the U.S. contribution will not be adversely affected by any future changes in the value of the dollar.

When the IDA was first created the United States undertook a commitment to provide loan assistance to those nations most in need of help and to strengthen the economies of developing countries. We simply cannot walk away from that obligation and ignore the poor and needy in nations having per capita incomes of under \$120 per annum. We must take affirmative steps today to insure that this respected multilateral institution will be able to continue its programs without interruption and that it has the financial resources necessary to effectively deliver assistance to needy countries. I am pleased to support this measure and urge that our colleagues also do so.

Mr. HARRINGTON. Mr. Chairman, today we are considering H.R. 15465, legislation to provide for the fourth U.S. replenishment of the International Development Association—IDA. Although foreign aid has often been criticized, I urge passage of this bill, which would continue funding the highly successful, financially secure aid program of IDA.

The soft-loan arm of the World Bank, IDA provides interest-free loans for self-help development projects to the poorest nations of the world. Most of the funds go directly to projects selected by the

World Bank, while the remaining money is loaned at 12 to 15 percent annual interest by the recipient governments to individuals, primarily poor farmers, who wish to expand or develop their production. Thus, rather than indebting himself at usurious interest rates, the farmer has access to money at reasonable rates—much lower than those available from private sources in these countries.

While one could argue that the recipient government is realizing a profit at the expense of its poor citizens, the local interest charge insures that the loans will be spent in a serious and responsible manner. It seems to me these constraints prevent IDA from being a giveaway program encouraging reckless spending and increasingly greater requests for American aid. The best foreign aid program is one which helps a country to gain economic independence. By financing carefully selected projects, and helping poor farmers to improve their agricultural production, IDA provides an assist to economic independence.

Aside from the economic soundness of IDA's program, we should consider several other factors indicating the value of IDA.

Through its loans to the world's poorest countries, IDA often provides the thin margin saving a nation from total economic collapse. IDA, by maintaining these countries, promotes a peaceful, stable world. Countries which might succumb to the tensions of extreme poverty are given a means to develop their economy and thus gain political stability.

The United States also benefits from IDA. The businesslike form of the loans and the international, nonpolitical means of distribution—that is, via the World Bank—removes any basis for charges of American interference in the politics of the recipient countries. Our continued support of this program helps to establish and maintain friendly ties with IDA-assisted nations, many of which control vital basic resources and raw materials. Furthermore, IDA loans are often used to purchase U.S. goods, thus helping our balance of payments.

The bill before us will provide \$375 million each year for 4 years, for a total contribution \$1.5 billion, \$11 million less than the amount provided by the United States in the third replenishment. Our share of the total contribution will be 33 1/3 percent, rather than the 40 percent we formerly contributed. This redistribution of funding reflects the greater ability of other IDA contributing members to pay.

Even with the fourth replenishment, IDA must reduce the number of recipient countries—the eligibility cutoff will be \$200 per capita yearly income, rather than the present figure of \$375, due to the worldwide soaring inflation. Passage of H.R. 15465 will insure a minimal aid program, enabling IDA to assist only the most desperately poor nations.

There has been criticism of IDA which I wish to discuss. The charges that IDA helps the newly rich, oil producing nations can be refuted by the fact that several of these countries—for example, Kuwait, Iran, Venezuela—are increasing

their donations to the World Bank, and other nations, such as Libya, are considering contributions.

The other major concern about the use of IDA funds is not so simple to resolve. On May 18, 1974, India exploded a nuclear device. Claims by India that the explosion was "peaceful" are unconvincing since despite 15 years of research the United States has failed to discover any peaceful uses for nuclear weapons. While India has neither signed nor ratified the Nuclear Non-proliferation Treaty, and therefore violated no international agreements, the proliferation of nuclear weapons is extremely disquieting. Quite frankly, at one time I considered the IDA replenishment bill as an opportunity to protest the Indian nuclear detonation by offering an amendment limiting the use of IDA funds to countries that abided by international safeguards on the control of critical nuclear materials—such as plutonium, the principle fissionable agent in India's nuclear device.

From IDA's inception in 1961 to the end of 1974, India received over \$2.5 billion in IDA loans and grants. In fiscal 1973 alone India received \$564 million. India consumes 35 percent of IDA's budget annually, and the World Bank/IDA second 5-year plan—1974-78—anticipates India continuing to receive its 35 percent share, at a level of \$525 million each year.

The argument has been made that IDA money should be cut off to India. Although Canada supplied to India the nuclear reactor, from which the plutonium was diverted, the Indian Government has invested an enormous amount of research resources and its own funds to develop its nuclear weapons program. Had funds from IDA and various other aid programs not been available, India might not have had the economic resources necessary to maintain its nuclear weapons program. This line of reasoning, it seems to me, is convincing, but after the fact. Any absolute cutoff of IDA funds would only be a gesture of anger, and of retaliation. We must seek a more constructive route to show our disapproval of India's actions.

A provision could be added to the IDA bill requiring any recipient country to sign the Non-Proliferation Treaty as a condition of eligibility for funds. Such a provision, if it were enforceable, could put a damper on the escalating proliferation of nuclear weapons. However, there is every indication that India would prefer to forego receiving aid, rather than surrender to what essentially would be an ultimatum. Thus, instead of achieving our goal of nuclear nonproliferation, we would only cut off aid to India's poor as a penalty for their government's folly. IDA funds are spent on a variety of domestic projects in India, all contributing to the improvement of the people's living conditions. To shut off these funds—the almost inevitable result of such a "nuclear ultimatum"—would guarantee the misery and starvation of millions of people in India.

Therefore, we must find other means to halt nuclear proliferation. Perhaps the most profitable step would be for

the United States to set an example by negotiating a broad and meaningful arms control agreement with the Soviet Union. Evidence of our sincere interest in deescalation of the nuclear arms race should display to other nations the seriousness of the problem of nuclear proliferation and the need to take action to halt the dangerous spread of nuclear capability.

It has been pointed out before that it is already extremely difficult to negotiate strategic arms control agreements when six powers have a nuclear capability; when 20 nations possess atomic weapons—a reasonable prospect in the next decade without controls—the task of negotiation will be almost unimaginable.

There are few opportunities for our Nation to satisfy in our foreign policy both humanitarian and principled goals as well as enhance the position of our interests in the world. H.R. 15465 may seem a high price to pay, but when viewed in the context of the needed assistance it provides millions of people in the poorest nations of the world, it is a small investment in our common global future.

Mr. DRINAN. Mr. Chairman, I rise in support of H.R. 15465 which provides for continued American participation in the activities of the International Development Association. Since its inception in 1960, the IDA, operating under the auspices of the World Bank, has provided substantial aid to the impoverished nations of the world for essential social services and economic development projects. The IDA is one of the best examples of effective international cooperation. A total of 112 nations participate in the program. Of those, 25 are highly industrialized nations which contribute to a loan fund upon which the less fortunate nations can draw to borrow money on a long-term, interest-free basis.

All IDA loans go to developing nations with per capita annual incomes of less than \$375. Approximately 70 percent of IDA funds are channeled to the poorest nations of the world where inhabitants earn an average of \$120 or less each year. In these areas, where starvation is a constant fear and daily survival remains in doubt, the IDA provides funds for projects in health care, education, flood control, irrigation, fertilization, transportation, and other vital fields. Impoverished nations cannot carry out economic development programs without outside assistance. The IDA, as an international organization dedicated to providing such aid, is a prime vehicle of bettering the quality of life throughout the world.

The United States reaps several significant benefits from its participation in IDA. First, the developing nations IDA serves constitute a major market for American exports. Last year, more than \$15 billion worth of American goods, nearly 30 percent of our total exports, were sold to developing nations. As the economies of these backward nations become more developed through the efforts of IDA, their share of American exports will increase further.

Second, developing nations supply American industry with a large portion of essential raw materials. Despite our recent efforts to draw closer to economic

self-sufficiency, the United States has become increasingly dependent upon the natural resources of Asia, Africa, and Latin America. IDA loans assist developing nations with projects to increase production of raw materials and speed the transportation of these goods to market.

Most important, IDA provides the United States with an opportunity to fulfill its moral obligation as the world's wealthiest nation to help those many millions of people who do not share the advantages which Americans possess. Poverty, disease, and starvation are human problems which do not recognize ideological or political boundaries. More than a billion people are struggling to live on less than \$100 a year. The worldwide energy crisis, international inflation, and a severe African drought has exacerbated the suffering of these, the world's forgotten people.

The tragic problems which confront the world's underdeveloped nations will never be solved unless the wealthier nations accept a responsibility to help their fellowmen and 25 such nations, including the United States, have made a moral and financial commitment through their participation in IDA.

Mr. Chairman, the bill before us today provides for a continuation of American participation in IDA at a reduced level of funding. In fiscal 1974, the United States contributed \$386 million to the IDA loan fund. H.R. 15465 authorizes \$375 million during each of the next 4 years. In addition, under the provisions of the IDA agreement negotiated last fall, the American share of the total loan fund will drop to 33½ percent from the present level of 40 percent. On a per capita basis, the United States will contribute less than \$2 a year. This is an extremely small price to pay for helping to solve the problem of world poverty.

When the House rejected an IDA authorization bill this January, several months remained before previously appropriated funds for fiscal 1974 would run out. The IDA continued to function despite the defeat of H.R. 11354. Unfortunately, this comfortable latitude no longer exists. Unless the House acts now to authorize funding for fiscal 1975, IDA programs will be halted. Furthermore, we must authorize the full \$1.5 billion in order to live up to the terms of the new IDA agreement. The contributions of other nations depend upon full American participation. We do not have the option of slashing the figure stipulated in the bill without, in effect, killing IDA.

Before I conclude my remarks, I would like to register my objections to the inclusion in this bill of a provision amending the Far Value Modification Act to permit Americans to buy and sell gold in the United States and abroad. The issue of private gold ownership has been before this body before. It was disposed of most recently last May in a recorded vote on the floor of the House. If Members of the House wish to reconsider this proposal, they should introduce a bill providing for private gold ownership and allow their proposal to stand on its own merits.

Private ownership of gold has nothing at all to do with the U.S. participation in IDA. I deplore this exploitation of the rules of the House which forces Members either to accept two distinct proposals or to sacrifice both of them. Nevertheless, because I believe that the continuation of IDA is vital to the building of a better world, I must support this legislation.

Mr. RARICK. Mr. Chairman, when this body voted to defeat this bill in January, it was for good reason: to pass it would be an affront to the American taxpayer and an insult to the people we represent. Despite the glitter added, by promising to allow our citizens to own gold, nothing has really changed.

If draining the U.S. Treasury and taxpayers of an additional \$1.5 billion to "lend" to developing countries around the world was irresponsible and inflationary in January, it is even more so in July—since the inflation rate in this country has risen sharply in the interim.

In spite of all the humanitarian rhetoric we have heard here today, the poor people this bill is supposed to assist do not benefit from our largess. The committee report accompanying H.R. 15465 points out that:

IDA money is often lent by countries which receive interest-free IDA loans to their citizens at substantial interest rates.

I understand that the interest rates charged by these countries are at the local prevailing rates between 12 and 20 percent.

Our colleague from Maryland, Mr. Long, has accurately stated:

We cannot understand how Congress can justify the authorization of \$1.5 billion in funds which will have to be borrowed at about 6 percent interest to be lent at no interest through IDA to so-called "developing" nations which will then have an opportunity to earn substantial interest and profits from this "free" money.

I certainly know that the consumers, taxpayers, and farmers in my district cannot understand this giveaway mentality—especially when they have to pay as much as 11 percent interest on the money they must borrow just to make ends meet.

In recent weeks we have seen numerous bills killed or bottled up in committee because they "would harm consumers through increased inflation." When our Government has to go onto the market to borrow money at about 8 percent in order to lend it around the world free, that is inflationary with a capital "I," and disastrous to American consumers. A no vote on this bill is definitely a pro-consumer, protaxpayer, pro-American vote.

I urge our colleagues to join with me in opposing this inflationary legislation.

Mr. MILLER. Mr. Chairman, I rise in opposition to H.R. 15465 to authorize the appropriation of \$1.5 billion to the International Development Association. Basically, this bill is a rehash of the same legislation overwhelmingly defeated by this body in January with the exception of some gold pabulum. The world situation is no different than it was just 6 short months ago. The United States is no longer the rich kid on the block obli-

gated at every turn to shell out for his neighbors. There are just too many other nations which now have the resources, capability, and responsibility to shoulder more of the financial burdens in the world community.

Since January, our own financial condition has seriously deteriorated as inflation increases, interest rates climb, and the national debt bumps the one-half trillion dollar level. Now is the time to turn the screws on Federal spending, not open the spigot.

Not for the life of me can I see how we can justify offering other nations long-term, no-interest, soft loans when our own people are charged 8 to 11 percent on their own loans if they can get them.

Moreover, how can this Government justify going out on the money market to borrow at today's rates adding to an already colossal national debt, then turn around and practically give it away overseas?

Every one of our constituents who is paying higher prices, higher interest rates, and higher taxes deserves a better set of national priorities than is reflected in this bill. If we are going to continue to give foreign aid, let us at least get credit for abroad and let us start to receive something in return for the dollars we expend. We can do this much at least if we incorporate the barter concept into the foreign aid program. I hope that now that hearings have been held on my barter bill by the House Foreign Affairs Committee, it can be included in the overall program.

Mrs. MINK. Mr. Chairman, the fourth replenishment of the International Development Association—IDA—is before us today. IDA is the development assistance arm of the World Bank and with the World Bank it shares an extraordinary financial record. Both have applied stringent requirements to their loan applications and both are without a single instance of default.

IDA is designed to assist the poorest developing nations—nations whose per capita income is less than \$375 a year and much lower in most cases. Not surprisingly these nations are resource and capital poor. They were the first to feel the effects of the oil crisis and their fragile economies are likely to sustain the heaviest, most debilitating damage.

Shortages of fuel and fertilizer have already substantially reduced food production in many of these nations. South Asia, which only a handful of years ago seemed on the verge of self-sufficiency, is harvesting fearfully below even cautious estimates. The shortfall in India alone threatens to be enormous.

The oil shortage which affected how fast we could drive and how far, takes on critical proportions in these nations where irrigation, tractor fuel, and chemical fertilizers—all crucial ingredients in high-yield "miracle crops"—are scarce.

IDA funds will not supply oil. The loans are for specific projects. Most projects are rural development loans and as such address a critical area. The pressure placed upon rural development by the oil crisis and rising oil costs makes IDA, with its policy of extending low-

interest, long-term repayment loans, a key factor in efforts to cope with this crisis.

Much of Africa, Latin America, and South Asia are loan recipients. Rural development and agricultural self-sufficiency are to be encouraged for the world's sake as much as for their own. These areas contain over one-quarter of the Earth's population. It takes little imagination to realize that continued crop shortfalls will induce a chain of famine, disease, and strife. Such widespread misery is unlikely to be contained. American consumers will be faced with rising food costs as there is greater demand on the international market for American food supplies.

Obviously rural development in these populous, poorer nations is essential both for their total development and their stability. Birth control acceptance—a primary goal in most of these nations—is tied to increased income, a minimal degree of affluence. Greater poverty, higher birth rate, it is part of a particularly vicious cycle of misery.

Our economies are too highly interrelated to ignore these nations or assume indifference to their fate. Obviously it is in our own interest as well as theirs that development assistance proceed.

I urge my colleagues to give strong support to H.R. 15465. We are in a position to exercise leadership as a legislative body and a nation. I believe we have the awareness and foresight to appreciate the world's interdependence and its capacity for cooperative, constructive development.

IDA is a pragmatic, carefully administered approach to development. IDA's purpose and record deserve our support. I hope you will join me in giving that support today and voting for H.R. 15465.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the International Development Association Act (22 U.S.C. 284 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 14. (a) The United States Governor is hereby authorized to agree on behalf of the United States to pay to the Association four annual installments of \$375,000,000 each as the United States contribution to the Fourth Replenishment of the Resources of the Association.

"(b) In order to pay for the United States contribution, there is hereby authorized to be appropriated without fiscal year limitation four annual installments of \$375,000,000 each for payment by the Secretary of the Treasury."

The CHAIRMAN. Are there any amendments to this section? There being no amendments the Clerk will read.

The Clerk read as follows:

Sec. 2. Subsections 3 (b) and (c) of Public Law 93-110 (87 Stat. 352) are repealed and in lieu thereof add the following:

"(b) No rule, regulation, or order in effect on the date subsections (a) and (b) become effective may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing with gold in the United States or abroad.

"(c) The provisions of subsections (a) and (b) of this section shall take effect either on December 31, 1974, or at any time prior to such date that the President finds and re-

ports to Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States' international monetary position."

AMENDMENT OFFERED BY MR. GONZALEZ

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

The Clerk read as follows:

Amendment offered by Mr. GONZALEZ: On Page 2 strike on line 15, "either on December 31, 1974, or at any time prior to", and insert on line 15 after "effect" the word "when."

Mr. GONZALEZ. Mr. Chairman, this amendment would retain the President's authority to legalize private gold ownership at a time he deems prudent.

This kind of flexibility is recommended by both the Secretary of the Treasury and by the Chairman of the Board of the Federal Reserve.

Setting a date certain not only hampers the flexibility of the President; it encourages speculation in gold. With a date certain for the entry of American citizens into the gold market, speculation in gold is greatly encouraged. Producers of gold, given this date certain, would very likely start withholding their gold from the market, building up prices in anticipation of the date when the American gold rush starts. This happened last year when beef prices were set up to be unfrozen on a given date, and it is likely to happen this year, if flexibility is not retained in the law.

There is no reason to deny this flexibility. The Secretary of the Treasury has testified that he would recommend the lifting of gold restrictions by the end of this year, barring any unforeseen circumstances. In the face of this, it is needless to deny flexibility to the President.

If setting this rigid deadline encourages gold speculation, the only way to dampen the price pressures would be to start selling off our monetary stocks of gold. This would be undesirable and unwise, inasmuch as gold is today usable as collateral against loans from the International Monetary Fund. Indeed, present conditions suggest that gold is still a very important part of the international monetary system, and may be likely to become more important. If that is so, it is foolish to invite a situation in which the only way to defend the dollar against excessive gold speculation would be to intervene in the gold market.

Why invite instability in a situation that is already troubled? We would be far better off in setting no firm date for private ownership. I think that even the author of this gold amendment would agree that he has his doubts about this firm date. I know that he has expressed these doubts in private, and that he believes we would be better off, as a practical matter, by setting no date. He has only done so as a matter of political expediency. In fact, what I am offering to do in this amendment is simply to retain in law the flexibility that the author of this bill, the gentleman from Wisconsin, suggested that we have last year. He has inner doubts about changing it now; every bit of advice that we have from our international monetary experts sug-

gests that having this inflexible, rigid date is wrong and harmful; and having this date certain ignores the very real possibility that unforeseen events might intervene and make this date certain not only unworkable, but foolish in the extreme. That is a risk that there is absolutely no reason to run, except for the cynical expedience of giving the date to appease a few dogmatists who insist on it as their price for supporting this bill.

I urge support of my amendment.

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

Mr. Chairman, I regret very much having to oppose any amendment proposed by my good friend, the gentleman from Texas (Mr. GONZALEZ). He is a very fine and able member of our committee. He is chairman of one of our most important subcommittees, doing a great work. Therefore, I am reluctant to oppose any amendment he offers, especially this one.

The doubt in my mind is to how far this amendment would take us back and how far it would extend.

The question of legal tender of money is one of the most important things that we have regarding our monetary system. All of our money is legal tender now. It is legal tender and we ought to keep it that way. If we change it, we want to make absolute the provision to make sure that the people are taken care of who own any type of money that is now legal tender.

I do not believe that the amendment is as good as the existing law. I think the provisions in the bill are the best provisions we could have concerning gold. They have been worked out carefully.

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

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

Mr. ROUSSELOT. I want to be sure I understand the gentleman. Does the gentleman favor the rights of individual citizens to buy and sell gold?

Mr. PATMAN. Yes.

Mr. ROUSSELOT. And the gentleman will support that kind of legislation if this portion of the bill is not passed?

Mr. PATMAN. Yes, sir.

Mr. ROUSSELOT. So we can be assured that the Committee on Banking and Currency will bring out a bill that will give the right back, the civil right back to American citizens to own, buy, and sell gold?

Mr. PATMAN. The gentleman is not understanding what I said. I said I am for the provisions of this bill.

Mr. ROUSSELOT. I see; that includes the right of citizens to own gold?

Mr. PATMAN. That includes the right of citizens to own gold. Of course, gold will become a commodity under this legislation and it will be like anything else sold in the open market.

Mr. ROUSSELOT. So the gentleman would support open legislation to do just that?

Mr. PATMAN. Just like a sack of potatoes.

Mr. ROUSSELOT. In other words, the gentleman supports the legislation of the gentleman from Illinois to give the American citizens the right to buy, own, and sell gold?

Mr. PATMAN. That is right.

Mr. ROUSSELOT. I appreciate knowing that.

Mr. PATMAN. I am supporting what is in this bill.

Mr. ROUSSELOT. Then we can support the amendment of the gentleman from Texas to delete "ownership of gold" from this bill, because that would give us a chance to vote on that issue separately from IDA; is that correct?

Mr. PATMAN. In the argument, I am supporting the language in the bill, that is the language that I understand the gentleman from Illinois (Mr. CRANE) has always advocated and it says this provision and that is the one I am for.

Mr. ROUSSELOT. I want to compliment the gentleman for telling us that he would support the amendment of the gentleman from Illinois to buy, own, and sell gold, that is separate legislation. If for some reason it is taken out of this bill, the gentleman from Texas can assure the House that he will support the gold legislation. I know my colleague, the gentleman from Illinois, will be glad to hear that.

Mr. PATMAN. I am not supporting a separate bill. I am supporting this bill (H.R. 14565) and I hope it is adopted.

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

Mr. Chairman, I quite appreciate the efforts of my distinguished chairman of the subcommittee, the gentleman from Texas (Mr. GONZALEZ), in seeking to restore through his amendment the language that exists in current law, which was incorporated into the last devaluation bill we passed. This language leaves the question of gold ownership up to the discretionary jurisdiction of the President.

But, I must remind him respectfully that when that language was incorporated into the gold ownership bill, it was because there were a number of people in this body, my distinguished colleague from Wisconsin included, who felt that until we had moved far enough down the road toward securing international monetary reform, that it was preferable to leave the language discretionary. The assumption was that we could anticipate such reform by December 31, 1973, or shortly thereafter.

I think in the intervening time it should be clear to one and all that the pursuit of international monetary reform to the satisfaction of the people at Treasury to make that recommendation to the President is sufficiently illusory that this body ought to at last establish a time-certain date, and that is what we agreed on in committee.

I think the only condition whereby there would be sufficient Members of this House willing to support IDA now is with a time-certain date gold ownership provision. If it is not going to have a time-certain date, then the gentleman would be better advised simply to introduce an amendment to strike any reference to gold ownership and produce a clean IDA bill. But, it is my understanding that there are Members in this House who are not in favor of IDA particularly, but who

favor a gold ownership provision with a time-certain date, who would be willing to accept the bill in its present form.

If the IDA bill stands any chance of passing, it will only be, in my estimation, in its present language.

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

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

Mr. FRENZEL. Mr. Chairman, I commend the gentleman for his statement. I think he stated the situation exactly right. There are also some of us who do not like the gold provision but who like IDA and will support the bill for that reason.

Even though I, and others, supported our chairman, the gentleman from Texas (Mr. GONZALEZ), in the past and supported a total package, we are asking for a vote against the amendment. We are going to have to support the bill as it is now written.

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

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

Mr. KETCHUM. Mr. Chairman, unless I am totally incorrect, the Secretary of the Treasury, Mr. Simon, in a very recent press announcement said that he favored the ownership, the owning, and selling of gold by American citizens.

Mr. CRANE. He supports private ownership in principle. He said further that he would make a recommendation to the President to restore private ownership provided there were not sufficiently destabilizing circumstances to dictate otherwise. I have for the last 4 years heard that argument raised from the Treasury as well as from the Federal Reserve, and they never seem to find the time when they feel that we have made sufficient progress in achieving "international monetary reform," even though in principle they find the concept of the restoration of the right to be good.

Mr. KETCHUM. If the gentleman will yield further, the Secretary of the Treasury did make that statement, and the Secretary of the Treasury is very strongly in favor of the IDA provisions of this bill. Would it not occur to the gentleman that in this field perhaps a little bribery is at stake here?

Mr. CRANE. I would not call it bribery. I would call it exactly what politics is all about, frankly, the art of compromise. There is no Member in this room who has never participated in it.

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

Mr. Chairman, I rise in support of the amendment.

I like gold. I was paid in gold in Texas, of all places, in 1916—\$15 per month in gold. So, I like gold but the right to own gold does not belong in this bill.

Things have happened since 1916. The gentleman from Texas (Mr. PATMAN) has seen a lot of his printing press money distributed over the country. The Members know the process. Someone cranks up the printing presses at the Bureau of Engraving and Printing, puts ink in the pot, feeds paper into the presses, and

lo and behold we have printing press money.

Mr. PATMAN likes that, and things have changed since 1916 in Texas. The dollar is worth today about 36 cents in terms of purchasing power, and printing press money has helped make it that way. In 1916 a dollar was worth a dollar.

I like gold, yes, but I do not like the medicine man's come-on in this bill; this IDA, the golden-clad hooker.

The gold provision in this bill is here for just one reason, and everybody in this Chamber knows it, including the distinguished majority leader (Mr. O'NEILL), who signed that wonderful "Dear Colleague" letter that was sent around in support of gold.

The whole idea of this come-on, this con game, is to get the Members to support what they refused to support less than 6 months ago, and that is a continuation of this \$1.5 billion giveaway. That is what this is all about.

Take the gold proviso out and see what happens.

The chairman of the committee, being the amiable gentleman that he is, although a printing press money advocate, will, I am sure, produce a bill in his committee and hold hearings immediately now that he has been won over to the gold standard; and his very willing helper, the gentleman from Wisconsin (Mr. REUSS), to whom gold, until today, has been an anachronism, a barbaric metal, will join him. What a difference a \$1.5 billion foreign giveaway will make in some people.

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

Mr. GROSS. Surely; I will gladly yield to the gentleman who is on the right side of the fence on this issue.

Mr. DENT. I think there are two things that we all had better consider. There is an event taking place now that has been going on for a few months, in which we are negotiating with the Arab oil-producing nations to buy U.S. bonds. They are holding out that they must be gold-backed bonds.

With the American people getting the privilege here of buying gold, incidentally, only about 5 percent of the American people will be able to buy gold. That is the one thing.

The second thing we had better consider is that all of the good advisory letters have been telling us for a couple of years that our real estate taxes are so high that that is a bad investment. Our corporate stocks are a bad investment, and the only thing that we can hedge against the future with is gold. Who is going to hedge against the future? The same people who came through unscathed during the first depression will be the ones who will come through unscathed in this depression.

Be smart. If the Members are not smart, they can at least act as if they are.

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

Mr. GROSS. I yield to the gentleman.

Mr. CRANE. I thank my colleague for yielding. In response to the remarks just

made, it is not a privilege to buy gold. It is a basic, fundamental right, just as it is with any other commodity.

Second, I would remind my friend that individuals in France can get gold at the local bank and buy gold in small denominations. We have been selling savings bonds in this country, and in the process engaged in the poorest job imaginable, because they have not even broken even, with the interest accruing on the U.S. Savings Bonds.

Mr. GROSS. Mr. Chairman, let me just comment that the gentleman from Illinois, to whom I just yielded, voted against this \$1.5 billion handout to IDA less than 6 months ago. He is another one of the medicine men here today trying to sell us the bill of goods that we should toss away \$1.5 billion in order to buy a little gold, something President Nixon could make possible with a stroke of his pen.

Mr. CRANE. If my colleague will yield just one further moment, I will explain why I still do not believe in multilateral institutions.

Mr. GROSS. I am not interested at the moment in the gentleman's views on multilateral institutions.

My appeal is to support the amendment offered by the gentleman from Texas (Mr. GONZALEZ) and defeat the bill.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. Gross) has expired.

(On request of Mr. SYMMS and by unanimous consent, Mr. Gross was allowed to proceed for 1 additional minute.)

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

Mr. GROSS. I yield to the gentleman from Idaho.

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

I might just say to the gentleman that I just came from the cloakroom, where I made a phone call to my broker. I asked him what the price of gold was today.

He said:

It is \$1 billion 500 million. I understand it is for sale today down at the Capitol.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. GONZALEZ).

The question was taken; and on a division (demanded by Mr. GONZALEZ) there were—ayes 27; noes 45.

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

A recorded vote was refused.

So the amendment was rejected.

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

The CHAIRMAN. The Chair will count.

One hundred and twenty Members are present, a quorum.

AMENDMENT OFFERED BY MR. BIAGGI

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

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: Page 2, immediately after line 9, insert the following new section:

Sec. 2. The International Development As-

sociation Act (22 U.S.C. 284 et seq.) is amended by adding at the end thereof the following new section:

"Sec. 15. No moneys contributed by the United States to the Association may be loaned to, or utilized by, any country for the purpose of purchasing nuclear materials, or nuclear energy technology or for the purpose of developing nuclear explosive devices or nuclear weapons."

POINT OF ORDER

Mr. REUSS. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The Chair will hear the gentleman from Wisconsin in support of his point of order.

Mr. REUSS. Mr. Chairman, I make the point of order against the amendment that it is not germane. It purports to amend subsections 3 (b) and (c) of Public Law 93-110 (87 Stat. 352). Public Law 93-110 is the Par Value Act which affected the gold value of the dollar. The amendment offered by the gentleman from New York (Mr. BIAGGI) attempts to amend the International Development Association Act, this has to do with nuclear materials, it is, therefore, entirely nongermane to the act which it seeks to amend.

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

Mr. BIAGGI. I do, Mr. Chairman.

Mr. Chairman, my amendment simply seeks to add a new section to this bill, section 15. This section would condition any of the moneys to be spent in the event IDA is successful this afternoon, or any of the moneys to be loaned, and I use that as a euphemism because, in fact, it is an outright grant in its nature, and we have recognized it as such, and I do not think anyone thinks that we will ever have the money returned, but it represents a condition under which the money can be loaned.

The fact of the matter is, the money, if it is to be loaned, cannot be used to provide nuclear technology or nuclear material in any of the proposed countries, and it is my judgment that the appropriate manner in which to do that is to add an additional section, and we do that in my amendment by creating section 15.

The CHAIRMAN (Mr. BRADEMAS). The Chair is prepared to rule on the point of order raised by the gentleman from Wisconsin (Mr. REUSS).

The bill is drafted as a continuation of the U.S. Governor's authority to agree to make U.S. money available to IDA under terms of the International Development Association Act. That statute already contains several restrictions on the Governor's authority to cast dissenting votes for loans to nations lacking certain qualifications. Therefore an amendment to further restrict the use of funds for loans under IDA, part of which are authorized by the bill, would be germane, and the point of order is overruled.

POINT OF ORDER

Mr. REUSS. Mr. Chairman, I make an additional point of order against the amendment.

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

Mr. REUSS. Mr. Chairman, I make the additional point of order that sec-

tion 1 of the bill H.R. 15465 having to do with the International Development Association Act has been read, and passed, and that in fact we have already considered and disposed of an amendment so that the amendment offered by the gentleman from New York (Mr. BIAGGI) comes too late.

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

Mr. BIAGGI. I do, Mr. Chairman.

Mr. Chairman, I would respond in the same manner. I think the argument made by the gentleman from New York (Mr. REUSS) is specious. The amendment is, in my judgment, not only germane as ruled by the Chair, but that the point of order obviously is an attempt to prevent the House from working its will this afternoon on a bill that has already been once defeated and is, as we say, the result of a compromise, which is regarded as a work of art so as to have the bill come back in another form in order to win votes, because of things that were not in it in the first place. All we are trying to do is to add a new section at the proper time and in the proper order which succeeds section 14, section 15, and it is my judgment that it is timely and that it is in order, and that the argument of the gentleman from Wisconsin is without basis.

The CHAIRMAN (Mr. BRADEMAS). The Chair is prepared to rule on the point of order raised by the gentleman from Wisconsin.

The amendment offered by the gentleman from New York (Mr. BIAGGI) would insert a new section 2 immediately after section 1. But, in view of the fact that section 2 of the bill has already been read, the amendment offered by the gentleman from New York (Mr. BIAGGI) does come too late, and the point of order is sustained.

Mr. DERWINSKI. Mr. Chairman, I rise as a supporter of the bill as it is brought to the floor. I also rise as a supporter of that section of the bill that will permit American citizens to own gold, but I understand that that particular provision was placed into the bill in large part because of the urgings of my good friend, the gentleman from Illinois (Mr. CRANE). I have some language I should like to read, and I wish the gentleman would give me his attention. I am not going to offer this amendment, but I had intended to do so.

The amendment would have read as follows:

No rule, regulation, or order in effect on the date subsections (a) and (b) become effective may be construed to prohibit any person from purchasing, holding, selling, or otherwise searching for the golden fleece in the United States or abroad.

I wonder if the gentleman feels at least the philosophy of this suggestion might have been consistent with the provisions of the bill.

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

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

Mr. CRANE. I thank the gentleman for yielding.

I can only say that I think with the prohibition of gold ownership for the past 40 years, we have indeed been fleeced.

Mr. DERWINSKI. Mr. Chairman, I really take this time to emphasize to the Members of the House that this is one of the very rare occasions where the House will be able to demonstrate that upon proper study and reflection, with the application of diplomacy that is so desperately needed in our time, that we, can reverse the decision made earlier in the year and pass this new bill this afternoon.

I was one of the Members who voted against the IDA bill some 5 months ago, but having been here for a few years, I have learned to be diplomatic. I strive to be objective. I always look at both sides of an argument. I have learned not to prejudice a bill merely because it comes from a usually controversial committee.

I believe that this afternoon it would be a high watermark in statesmanship if the House of Representatives would thoughtfully reconsider the previous decision against this measure with the adjustments that were made with the gold ownership provision, with the reemphasis on the practical nature of the administration of this program which this delay in Congress is really going to force. I should think it would be the height of statesmanship and sound legislative policy to pass this measure this afternoon.

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

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

Mr. Chairman, I have been studying a little history this afternoon, and I find that IDA was passed and the arguments for its passage were based about 99-99/100 percent upon the great need for developing nations, the great need for emerging nations, the great need for poor countries to develop their national resources and their natural resources.

If anybody will take time and look at the IDA loans, they will find in the last decade about 90 percent of these loans have not been loaned in that particular area of activity.

Just this last June 21 we find that \$50 million of the loan was given to the Indian Government for the purpose of expanding a chemical fertilizer plant without the chemicals, which, therefore, is not a national or natural resource. What that is intended to do is exactly what three previous other loans did. It gave India the national-international excuse for spending the money they did on the A-bomb, and within 2 or 3 weeks the H-bomb will be exploded underground by taking the \$50 million out of their own Government funds that should have gone into the expansion of this so-called fertilizer plant, and getting the money from the Eximbank so that they could say they spent their own \$50 million to develop the A-bomb.

Let us go to another one: A \$20 million credit from IDA to an Egyptian company. It is going to be used for the same purpose, a fertilizer plant, not from natural resources within their country.

Let us go a little further. There is \$20

million to Bangladesh. Sure, Bangladesh is a poor country. We voted in this House, and I think it was unanimous, to give them a couple hundred million or a couple hundred and fifty million dollars to aid them in their desperate need when the floods hit. But it is my understanding they did not spend one red cent to establish any kind of safeguard against future floods, and they get a flood every year.

What are we going to give the \$20 million for? We are going to give it for telecommunications facilities in Bangladesh. We are going to spend \$2 million for Ghana for development of agricultural resources, and I am very happy about that. That is what it was intended for.

Do the Members understand what is happening to us or not? Do we have any knowledge about where the money is going? The only time we will have any knowledge as to what is happening is when we put IDA and foreign aid and the Export-Import Bank and the Latin American Development Bank and the Asian Development Fund, all of these agencies which spend money in foreign countries into one piece of legislation, so we can section by section and title by title add them up at the end somewhere and have some idea as to where our money is going and how much we are spending.

Do the Members know how much the entire debt of the United States averages per person? And the gentleman knows I have a great deal of respect for his knowledge of money, but somehow or other he has not related the fact that the \$495 billion—soon to be \$509 billion—cannot be traced to one red cent of expenditures within the United States except that part of the \$500 billion which is interest paid on the loans?

The \$10 billion we are going to put into the Export-Import Bank and the \$1.5 billion we are going to put into this fund the Members must understand are going into these agencies and there is a partnership between the World Bank and IDA. The World Bank is the hard currency and IDA comes in at the other window and gives the soft currency, so that the \$1.5 billion is the seed money for approximately three-quarters of a billion more of soft currency through the Export-Import Bank. Every cent of that money becomes part of the national debt because we do not have the money to lend. We have to borrow the money, and no one can survive under that kind of financial structure. It is impossible to do so.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto be concluded at 3:30.

Mr. LONG of Maryland. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto end at 3:30.

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

The motion was rejected.

AMENDMENT OFFERED BY MR. LONG OF MARYLAND

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LONG of Maryland: Page 2, immediately after line 20, insert the following:

Sec. 3. The International Development Association Act (22 U.S.C. 284 et seq.) is amended by inserting at the end thereof the following:

“Sec. 15. The United States Governor is authorized and directed to vote against any loan or other utilization of the funds of the Association for the benefit of any country which develops any nuclear explosive device, unless the country is or becomes a State Party to the Treaty on the Non-Proliferation of Nuclear Weapons (21 UST 483).”

Redesignate the succeeding section accordingly.

POINT OF ORDER

Mr. WHALEN. Mr. Chairman, I raise a point of order against the amendment.

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

Mr. WHALEN. Mr. Chairman, the Chair has ruled that the amendment previously offered by the gentleman from New York (Mr. BIAGGI) was out of order because it should have been offered during the committee's consideration of section 1 which deals directly with the International Development Association.

Mr. Chairman, this is a very similar amendment to the one previously ruled out of order, except it creates a new section instead of amending an existing one.

This is an effort to thwart the Chair's earlier ruling. Therefore, Mr. Chairman, I insist upon my point of order.

The CHAIRMAN. Does the gentleman from Maryland care to be heard on the point of order?

Mr. LONG of Maryland. I should respond by saying that the gentleman's objection is specious. The amendment is a genuine amendment. It fits in logically in the place that it is offered. I see no substance at all to the point of order.

The CHAIRMAN. The Chair is prepared to rule on the point of order raised by the gentleman from Ohio.

The Chair would observe that when the gentleman from New York (Mr. BIAGGI) offered his amendment it was ruled out of order because section 2 of the bill had already been read; but since the pending amendment is offered as a separate subsequent section, as a new section 3, the amendment is in order and the Chair overrules the point of order.

The gentleman from Maryland is recognized.

Mr. LONG of Maryland. Mr. Chairman, the whole world was shocked last month when India exploded a nuclear weapon. But apparently some Members in this Chamber were not shocked enough. What is the significance of India's exploding a nuclear weapon?

What it means is that this explosion is about to set off a chain reaction to other countries who may soon be using nuclear reactors and nuclear materials as one step in the process of developing their own nuclear weapons.

The Ambassador from India called on me the other day and said:

We have no intention of developing nuclear weapons.

I said:

What happens if Pakistan does?

Then he said:

We would have to.

I said:

Does Pakistan believe you are not going in for nuclear weapons?

Well, he was afraid they did not.

Now, if Pakistan feels that India is developing a nuclear bomb and India has to have one in order to preempt Pakistan, it obviously makes it impossible to resist the internal political pressures that are going to inevitably ensue. This competitive nuclear arms race is going to occur all over the world.

All my amendment does is put America on record against nuclear proliferation.

Now, India has not signed or ratified the nuclear Nonproliferation Treaty. I do not know whether my amendment can force India or anybody else to become a party to the Nonproliferation Treaty; but this amendment does put the Congress and the U.S. Government on record as opposing nuclear weapons proliferation.

My amendment states that:

The United States Governor is authorized and directed to vote against any loan or other utilization of the funds of the Association for the benefit of any country which develops any nuclear explosive device, unless the country is or becomes a State Party to the Treaty on the Non-Proliferation of Nuclear Weapons.

In adopting this amendment we are not binding the IDA, only our own Governor. That is all. As of January 1974, the United States has 25 percent of the vote. Fifty-one percent of the votes cast are required to reject an IDA loan.

Thus, my amendment could not by itself cut off IDA loans to any country. It would simply put the Congress of the U.S. Government clearly on record as opposing any IDA loans to countries that develop nuclear weapons. My amendment would add some pressure against nuclear proliferation. I cannot see how anyone can possibly object to this amendment. It does not hurt or bind IDA in any way. It merely binds the U.S. Governor of IDA whom we have appointed, and puts the Congress on record.

I hope very much that this House will approve this amendment. I might say, it will have something to do with how I shall vote on this IDA bill here today.

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

Mr. LONG of Maryland. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I wish to congratulate the gentleman from Maryland for introducing this amendment. I recall not too long ago, when I introduced a similar amendment in connection with another bill, the gentleman rose and recognized exactly the threat that he sees in this type of nuclear proliferation as far as technology was concerned.

The argument was that it was not intended for hostile purposes, but shortly after that measure was defeated, the Joint Committee on Atomic Energy did react.

Apparently, we will be getting on the floor in the future some measure which would provide the Congress with the responsibility of approving such nuclear agreements, but until that happens, the gentleman's amendment is timely and is the very same type of amendment I have offered for the very same purpose, for focusing attention on this very critical problem.

Mr. CHAIRMAN. The gentleman from Maryland is to be congratulated and the Committee should vote for this amendment.

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

Mr. LONG of Maryland. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I want to compliment the distinguished gentleman from Maryland on his amendment. I think it is an excellent one, and I certainly support it.

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

Mr. LONG of Maryland. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Chairman, I congratulate the gentleman on his amendment, and enthusiastically support it.

I have only one question which I would put to the distinguished gentleman. The gentleman is not in any way, in his amendment, limiting aid for atomic powerplants and other peaceful uses, is he?

Mr. LONG of Maryland. No, we are doing nothing but simply binding a vote of our Governor on a very important policy question.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. LONG).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ICHORD

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

The Clerk read as follows:

Amendment offered by Mr. ICHORD: Page 2, strike out all of lines 7 through 20.

POINT OF ORDER

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

The CHAIRMAN. The gentleman will state it.

Mr. REUSS. Mr. Chairman, I make a point of order that the amendment offered by the gentleman from Missouri (Mr. ICHORD) comes too late; that we have not only finished with section 2, but in fact finished with section 3.

Also, that a charity of logic caused the Chair to overrule the earlier amendment offered by the gentleman from New York (Mr. BIAGGI), and would require similar action now.

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

Mr. ICHORD. I do, Mr. Chairman.

Mr. Chairman, I simply point out to the Chair that I only see two sections in the bill. Section 2 was just not read, so obviously a point of order would not stand.

The CHAIRMAN (Mr. BRADEMAS). The Chair is prepared to rule on the point of

order raised by the gentleman from Wisconsin (Mr. REUSS).

After a new section has been inserted by amendment, which is the case, it becomes too late to amend the preceding section of the bill. The point of order raised by the gentleman from Wisconsin is sustained.

PARLIAMENTARY INQUIRY

Mr. ICHORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ICHORD. Mr. Chairman, is it the ruling of the Chair that since the amendment—and I might say quite an innocuous amendment, in my opinion, because it only directs the U.S. Governor to vote against any loan to a nuclear country—is it the ruling of the Chair that no amendment will now be in order to section 2 of the bill, and also to section 1 of the bill?

The CHAIRMAN. The gentleman is correct. Section 2 has been passed in respect to its being amended.

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

Mr. Chairman, I rise as one who is in favor of the private ownership of gold, and I also rise as one who voted against IDA when it was before the House a few weeks ago.

I had attempted to separate the provisions of gold ownership from the provisions of IDA, and I do not quarrel with the ruling of the Chair. I was pretty much in the position of the gentleman from New York in that I arrived too late because of the brevity of this bill.

Mr. Chairman, I resent the rather shoddy parliamentary maneuver which took place in the Senate, not in this body, making the IDA bill more palatable to the Members of this House.

I do not accuse my beloved friend, the distinguished gentleman from Texas, of shoddy tactics. This did take place in the Senate.

There is no relevancy whatever between the provisions of gold ownership and IDA, and I, unlike my good friend, the distinguished gentleman from Illinois (Mr. DERWINSKI)—I agree with him that it is necessary to compromise on the floor of this House—but I do not think it is necessary to succumb to the lure of a hooker, in this case the gold hooker, as described by the gentleman from Iowa.

Therefore, even though I favor the private ownership of gold, I hope that the Members of this House will vote against the bill in its entirety.

Mr. Chairman, I would like to interrogate my beloved friend, the gentleman from Texas. The gentleman is asking this body to authorize \$1 1/2 billion of money which we do not have as our contribution to IDA.

Addressing myself to the gentleman from Texas, is it not true that under the terms of this bill, the country of India, which has recently developed a nuclear bomb, will receive approximately 40 percent of the money?

Mr. PATMAN. No; it is inconceivable.

Mr. ICHORD. The gentleman from Texas (Mr. GONZALEZ), a member of the committee, just advised me a few min-

utes ago in the cloakroom, and I see the gentleman from Texas (Mr. GONZALEZ) on the floor of the House. I yield to him for a further explanation. The gentleman from Texas (Mr. GONZALEZ) advised me that the country of India, which has just developed the atomic bomb, will receive approximately 40 percent in multilateral loans under IDA.

Mr. PATMAN. If the gentleman will yield, the gentleman is overlooking the latest agreement that they will not get 40 percent any more.

Mr. ICHORD. Is the gentleman from Texas in error in that advice? Is the gentleman from Texas (Mr. GONZALEZ) in error?

Mr. PATMAN. I say it is not true.

Mr. ICHORD. Then I hope the gentleman from Texas (Mr. GONZALEZ) will explain it.

Mr. PATMAN. That is my information, the best I have.

Mr. ICHORD. Mr. Chairman, I yield to the gentleman from Texas (Mr. GONZALEZ) for an explanation.

Mr. GONZALEZ. I believe the record will show that India has been the beneficiary, in large measure, of the IDA funds in the past, receiving about 40 percent; that is correct.

Mr. ICHORD. Is there anything in this measure that would indicate that India will not continue to receive 40 percent?

Mr. GONZALEZ. The fact that there is nothing to indicate that that policy of lending to India will change whatsoever, or, in fact, increase.

Mr. ICHORD. Mr. Chairman, the Members of the House, then, can succumb to this gold hooker, if they wish, but I for one will not.

PREFERENTIAL MOTION OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. Gross moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. GROSS. Mr. Chairman, why the haste to pass this bill? Let it be remembered that this same House, on January 23, less than 6 months ago, on a flat-out vote—not under suspension of the rules, as has been said here today—voted 248 to 155, a margin of 93 votes, to defeat this \$1.5 billion gift to the International Development Association.

At that time the Members were fresh from having visited with their constituents who were and are in economic trouble, and I am sure that is what motivated the vote at that time.

What has happened in the interim, I ask the Members? At that time we were responding to what we knew was the feeling of our people, that they were sick of being raped by Congress in the matter of extending foreign aid all over the world.

What has happened since? Have conditions gotten better? You know, everyone of you, that economic conditions are worse.

This country has been referred to today as the wealthiest Nation on Earth. Since January 23 we have learned that

this country has a net—that is spelled n-e-t—public and private debt of \$2 trillion, \$500 billion-plus. I believe the actual figure is \$2 trillion, 528 billion of public and private debt.

And yet here today it is proposed to shovel out another \$1 billion, 500 million that will never be returned, thus inflicting upon your children and mine and our grandchildren another obligation to add to the \$500 billion of Federal debt. For shame.

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

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

Mr. ICHORD. Mr. Chairman, the gentleman from Iowa just brought to the attention of the Members of the House the fact that a New York bank had raised its prime interest rate to 12 percent. I believe that was the figure, was it not?

Mr. GROSS. On yesterday, the Chase Manhattan Bank raised its personal loan rate to 11½ percent. That is its personal and home improvement loan rate, not its prime rate.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield further, even the proponents of this measure have admitted we will be spending money we do not have. This money will have to be borrowed.

I wonder if the gentleman from Iowa has any idea, when they go into the money market to get this money, as to how much further that will increase the interest rates that will be charged to our American taxpayers?

Mr. GROSS. Mr. Chairman, I have no idea, but it will make its contribution to inflation and higher interest rates.

Let me continue, and if I have time to yield further to the Members, I will do so.

On January 23, the gentleman from Texas (Mr. MAHON), the distinguished chairman of the House Committee on Appropriations, in opposing \$1.5 billion for IDA at that time said:

It is time for us to consider whether or not, in light of the fact that we have had to devalue the dollar twice, and have had to appropriate \$2.2 billion for dollar devaluation for international financial institutions last year, and \$1.6 billion the year before, we should at this point in time commit ourselves to another increase in foreign aid. I just feel it is time to say no to an increase.

Mr. Chairman, the gentleman from Texas warned the Members 6 months ago that even then the Nation was in no condition to underwrite another \$1.5 billion for foreign aid.

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

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

Mr. CARTER. Mr. Chairman, I thank the distinguished gentleman from Iowa for yielding.

Mr. Chairman, our Treasury notes are selling now at 8.4 percent. This means that the \$1.5 billion after 4 years, for the total 4 years, in 16 years would be doubled, and it would become at that time \$3 billion.

Mr. GROSS. I thank the gentleman for his observation. Now, you go ahead and vote to hand this international outfit another \$1.5 billion that will have to be borrowed or obtained from the Government printing presses, and then go home over the Fourth of July, wave the flag and tell your people that you have made \$1.5 billion worth of 50-year loans available to foreigners at no interest.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Iowa.

Mr. Chairman, let me say about the prime rates, I know that they are at 12 percent, and of course they are too high. They should not be that high. What we are doing here today, I do not know whether this will influence them much or not, it certainly will not lower the rates. They are going higher and higher. That has been predicted for a long time. They have been going that way for 5 years, up, up, up, all the time.

The 12 percent prime rate means that is for the big people like General Electric, General Motors, Ford, the Rockefellers, they are guaranteed a ceiling of 12 percent, they can always get their money at 12 percent or more, this is a guarantee to them only. But for the small person, the interest rate is 15 percent, and 18 percent. The prime rate does not apply to the little people like us, it just applies to the big people such as I have described.

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

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

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

Mr. PATMAN. I yield to the gentleman for a question, not for a speech.

Mr. ROUSSELOT. I will try not to make a speech—just a few important points. I know the gentleman from Texas has brought up this point several times that he is very concerned about the “little people” of this country who have to pay the high percentage rates for money. Yet under this bill we know that IDA has a soft window that is now providing loans for 50 years for only three-quarters of 1 percent.

How is the gentleman from Texas going to go back and justify to the people in his district that he has voted for a bill calling for \$1.5 billion for governments overseas, and they are only going to pay three-quarters of 1 percent interest, while the people in his district are paying 10 or 11 percent for their mortgages? How will the gentleman justify that?

Mr. PATMAN. Because it provides jobs for people here, among other things.

Mr. ROUSSELOT. This bill provides jobs, for who?

Mr. PATMAN. Yes, for people who are unemployed. We want to give the unemployed an opportunity to have a job.

Mr. ROUSSELOT. How will this provide jobs for people in our country?

Mr. PATMAN. Because these countries have to buy our goods, and pay for our goods.

Mr. ROUSSELOT. What about the poor people at home in your district and especially the taxpayer?

Mr. PATMAN. These countries have to buy our goods on our terms and this will help.

Mr. ROUSSELOT. What about the poor people at home, where do they come in on this boondoggle?

Mr. PATMAN. They are all right because this will provide jobs for them.

Mr. ROUSSELOT. This bill is not all right for the little people. You can go ahead and vote to pay out this extra high price money, this \$1.5 billion of our taxpayers' hard-earned money, that will be spent overseas, if you wish, but not me.

Mr. PATMAN. I do not choose to yield further to the gentleman.

The point is that this is an entirely different situation, this involves all countries all over the world.

Mr. ROUSSELOT. That is what the gentleman always says.

Mr. EVANS of Colorado. Mr. Chairman, regular order.

Mr. PATMAN. Mr. Chairman, there are 130 countries that belong to this same group that we belong to. They are all happy about it, seemingly, they keep on going forward with it. We are only just a participant, not the major one, nor are we a minor one, but we are a participant here helping out the entire world, giving jobs to people. These countries are borrowing our money and buying our goods. They cannot borrow our money unless they agree to spend it here to buy our goods. This gives 800,000 jobs, right now. If you cut this off then you are abolishing 800,000 jobs. Think about the effect that will bring, then.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the motion offered by the gentleman from Iowa (Mr. Gross).

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 96, noes 268, answered "present" 2, not voting 68, as follows:

[Roll No. 362]

AYES—96

Abdnor	Daniel, Dan	Hogan
Andrews, N.C.	Daniel, Robert	Holt
Archer	W., Jr.	Huber
Ashbrook	Davis, S.C.	Hunt
Bafalis	Delaney	Hutchinson
Baker	Dent	Ichord
Bauman	Devine	Jarman
Beard	Dickinson	Jones, N.C.
Biaggi	Duncan	Jones, Okla.
Bray	Fish	Kemp
Brinkley	Fisher	Ketchum
Burgener	Flood	Lagomarsino
Burke, Fla.	Flowers	Landgrebe
Burleson, Tex.	Flynt	Latta
Burlison, Mo.	Fountain	Long, Md.
Camp	Froehlich	Lott
Carter	Gaydos	McCollister
Chappell	Gaimo	Mathis, Ga.
Clancy	Ginn	Miller
Clawson, Del.	Goldwater	Murtha
Cleveland	Gross	Myers
Collins, Tex.	Haley	Nichols
Conlan	Harsha	Nix
Cotter	Henderson	Pettis

Price, Tex.	Shuster	White
Rarick	Skubitz	Whitten
Robinson, Va.	Snyder	Yatron
Rogers	Spence	Young, Alaska
Roush	Stubblefield	Young, Fla.
Rousselot	Symms	Young, S.C.
Runnels	Taylor, Mo.	Zion
Ruth	Taylor, N.C.	
Satterfield	Veysey	

NOES—268

Abzug	Hamilton	Pritchard
Adams	Hammer-	Quie
Addabbo	schmidt	Quillen
Anderson,	Hanley	Randall
Calif.	Hanna	Rangel
Anderson, Ill.	Hansen, Idaho	Rees
Andrews,	Harrington	Regula
N. Dak.	Hastings	Reuss
Annunzio	Hawkins	Rhodes
Arends	Hechler, W. Va.	Riegle
Ashley	Heckler, Mass.	Rinaldo
Aspin	Heinz	Roberts
Badillo	Heilstokski	Robison, N.Y.
Barrett	Hicks	Rodino
Bennett	Hillis	Roe
Blester	Holtzman	Roncallo, N.Y.
Bingham	Hosmer	Rookey, Pa.
Blackburn	Howard	Rose
Blatnik	Hudnut	Rosenthal
Boggs	Hungate	Rostenkowski
Boland	Johnson, Calif.	Roy
Bowen	Johnson, Pa.	Royal
Brademas	Jordan	Ruppe
Breckinridge	Karth	Ryan
Brooks	Kastenmeier	St Germain
Broomfield	Kazen	Sandman
Brotzman	King	Sarasin
Brown, Calif.	Kluczynski	Sarbanes
Brown, Mich.	Koch	Schneebeli
Brown, Ohio	Kyros	Schroeder
Buchanan	Leggett	Sebelius
Burke, Mass.	Lehman	Selberling
Burton, John	Lent	Shriver
Burton, Phillip	Litton	Sikes
Butler	Long, La.	Slack
Casey, Tex.	Luken	Smith, N.Y.
Cederberg	McClory	Staggers
Chisholm	McCormack	Stanton
Clark	McDade	J. William
Clausen,	McFall	Stanton
Don H.	McKay	James V.
Cohen	McKinney	Stark
Collier	Macdonald	Steed
Collins, Ill.	Madigan	Steele
Conable	Mahon	Steelman
Conte	Mallary	Steiger, Wis.
Conyers	Mann	Stephens
Coughlin	Maraziti	Stokes
Crane	Martin, N.C.	Stratton
Cronin	Mathias, Calif.	Studds
Culver	Matsumaga	Symington
Daniels,	Mayne	Talcott
Dominick V.	Mazzoli	Teague
Danielson	Melcher	Thompson, N.J.
Davis, Wis.	Metcalfe	Thomson, Wis.
Dellenback	Mezvinsky	Thornton
Dellums	Michel	Tierman
Denholm	Milford	Towell, Nev.
Dennis	Mills	Traxler
Derwinski	Minish	Treen
Dingell	Mink	Udall
Donohue	Minshall, Ohio	Van Deerlin
Drinan	Mitchell, Md.	Vander Jagt
Dulski	Mitchell, N.Y.	Vander Veen
du Pont	Moakley	Vanik
Eckhardt	Mollohan	Vigorito
Edwards, Ala.	Moorhead,	Waggoner
Edwards, Calif.	Calif.	Walde
Esch	Morgan	Walsh
Eilberg	Mosher	Wampler
Foley	Moss	Ware
Ford	Murphy, Ill.	Whalen
Forsythe	Murphy, N.Y.	Whitehurst
Frasier	Natcher	Widnall
Frelenghuysen	Findley	Nedzi
Frenzel	Nelsen	Wiggins
Frey	Ford	Williams
Fulton	Obey	Wilson, Bob
Fuqua	O'Brien	Wilson,
Gettys	O'Hara	Charles H.,
Gibbons	O'Neill	Calif.
Gilman	Owens	Wilson,
Grasso	Parris	Charles, Tex.
Green, Pa.	Patman	Winn
Gude	Patten	Wolff
Gubser	Pepper	Wright
Grove	Perkins	Wyatt
Guay	Peyser	Wyder
Hude	Pickle	Wylie
Guyer	Pike	Yates
Hughes	Poage	Young, Ga.
Hude	Podell	Young, Ill.
Price, Ill.	Preyer	Young, Tex.
		Zablocki

ANSWERED "PRESENT"—2

Gonzalez Roncalio, Wyo.

NOT VOTING—68

Alexander	Evins, Tenn.	Martin, Nebr.
Armstrong	Goodling	Meeds
Bell	Gray	Mizell
Bergland	Green, Oreg.	Montgomery
Bevill	Griffiths	Moorehead, Pa.
Bolling	Gunter	Passman
Brasco	Hanrahan	Powell, Ohio
Breaux	Hansen, Wash.	Railsback
Broyhill, N.C.	Hays	Reid
Broyhill, Va.	Hebert	Rooney, N.Y.
Burke, Calif.	Hinshaw	Scherle
Byron	Horton	Shoup
Carney, N.Y.	Johnson, Colo.	Sisk
Chamberlain	Jones, Ala.	Smith, Iowa
Clay	Jones, Tenn.	Steiger, Ariz.
Cochran	Kuykendall	Sullivan
Corman	Landrum	Thone
Davis, Ga.	Lujan	Ullman
de la Garza	McCloskey	Wyman
Diggs	McEwen	Zwach
Dorn	McSpadden	
Erlenborn	Madden	

So the preferential motion was rejected.

The result of the vote was announced as above recorded.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to H.R. 15465, which provides for a contribution of \$1.5 billion by the United States to the fourth replenishment of the International Development Association.

In a letter to me dated June 17, 1974, which is identical to the letter Speaker ALBERT reproduced in pages 2-5 of the committee report, Treasury Secretary William Simon made the following statement, with which I strongly disagree:

There is no conflict between this bill and fiscal responsibility for two reasons. First, fiscal responsibility does not mean simply not spending—it means spending only for effective programs that are strictly in accordance with our priorities. IDA qualifies on both scores. Second, the IDA replenishment bill will have no impact on the current fiscal situation. The first appropriations under it will not be sought until 1976, and when obtained will be made available to IDA in the form of non-interest-bearing notes. These notes will not be cashed until still later years.

I am just as convinced that the proposed IDA legislation serves the international economic interests of the United States as I am that it is fiscally responsible.

The accuracy of Mr. Simon's assertion that this bill is fiscally responsible because it involves "spending only for effective programs that are strictly in accordance with our priorities" depends largely, of course, upon what we consider to be our priorities. My own observations strongly indicate that the greatest concerns of constituents are inflation, excess Government spending, and high interest rates. It seems clear to me that the addition of \$1.5 billion in deficit money to the budget over a 4-year period in order to provide money for soft loans to developing countries can only aggravate these major problems.

On June 21, 1974, I received an announcement from IDA that it had approved a \$20 million credit to the People's Republic of Bangladesh as its second contribution to that country's "telecommunications development program." The grant will help to finance telephone

equipment, microwave systems, UHF and VHF systems, and other systems and services. In its release announcing the credits, IDA asserted:

Development of the telecommunications system is essential to the development of agriculture, industry, and government.

These credits will be provided under the standard IDA formula of no interest, except for a three-fourths of 1 percent administrative charge, and 50 years to repay, with 10 years of grace. I cannot understand how Congress can justify exporting capital when our industry is starved for it at double-digit interest in order to provide interest-free financing for telecommunications in Bangladesh.

Mr. Simon's second assertion, that this bill "will have no impact on the current fiscal situation" invites Congress to take a fiscally irresponsible approach to the bill. While it is true that no actual appropriations will be sought until fiscal 1976, and that our contribution will not be drawn upon until future years, the committee report, on page 14, makes it clear that enactment of this legislation would constitute a commitment to provide the \$1.5 billion in funds:

The authorization contained in this legislation poses a special problem. It enables the United States to undertake an international commitment, but in practice the United States' fulfillment of that commitment depends on subsequent appropriations.

The United States must be able to join with other countries in providing IDA with the commitment authority it needs to stay in operation after June 30.

The Committee emphasizes this point because it wishes the House to be aware that this authorization bill will result in a *binding international commitment* by the United States. *Congress should be aware now that a valid international commitment will exist when appropriations to cover this agreement are requested.* (Emphasis mine.)

In other words, although the impact will not occur until future years, the decision to commit or not to commit these funds can only be made now. Therefore, from the standpoint of responsible decisionmaking, the impact of the full \$1.5 billion is upon us today. To talk about this impact as coming in future years when Congress will be powerless to affect it is to invite Congress to abdicate its responsibility for controlling the budget.

Finally, I would take issue with Mr. Simon's contention that this bill "serves the international economic interests of the United States." The historic purpose of IDA has been to obtain money from capital surplus areas of the world in order to finance projects in developing nations. The recent energy crisis brought home to most Americans the fact that the "traditional financial relationships between nations are being radically altered."

For the United States to contribute another \$1.5 billion to IDA would perpetuate through the rest of this decade a relationship which is based on a post-World War II concept of this country as wealthy benefactor to all mankind. If this concept ever had any validity, it clearly has none in these times when the

United States is plagued by severe inflation and threatened with critical energy and mineral shortages which have been caused by many of the nations which it once so liberally assisted. We must learn to adjust as a nation to the new realities of world affairs, and the IDA replenishment is a good place to begin.

The only difference between this bill and the one which this House defeated on January 23 of this year by a vote of 155 to 248 is that this bill contains, in addition to an authorization of \$1.5 billion for IDA, a section which would permit American citizens to own gold by the end of this calendar year. This provision was added because supporters of IDA were afraid she would be harmed if they sent her into the congressional woods without gilt-edged security.

Permission for Americans to own gold, like the proverbial idea whose time has come, should and can be achieved, whether or not this bill becomes law. There is no need to obtain it at the cost of perpetuating IDA, an idea whose time has clearly passed.

I strongly urge the House to defeat this bill.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 10 minutes.

Mr. RANDALL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 10 minutes.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for two-thirds of a minute each.

The Chair recognizes the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Chairman, I wish to say that the \$1.5 billion which this bill calls for in 16 years will become \$3 billion. In 32 years, it will become \$6 billion, and in 48 years, before the bill runs out, it will become \$12 billion.

Mr. Chairman, I rise in opposition to this legislation for IDA, the International Development Association. The Treasury notes which are being sold now by the U.S. Department of the Treasury are going at 8.4 percent. The prime interest rate is now approximately 11.4 percent, that is the rate at which banks loan money to their best and most reliable customers.

The taxpayer of the United States will be called upon to pay for this loan of \$1.5 billion by bond or Treasury notes which will cost the Government no less than 8.4 percent plus the loan. Not only that, we are loaning funds to governments where there are no reports of good projects being developed. Last year, we loaned to Sudan \$11 million for agricultural development; we gave them \$2.2 million grant for refugee assistance and a \$2.1 million long-term, low-interest loan for the purchase of 20,000 tons of U.S. wheat.

Last year, the Ambassador of the United States, Cleo A. Noel, Jr., one of his associates, and a member of the Belgian Embassy staff were killed.

The assailants were taken into court and given life sentences; but later, they were deported, sent back to the Palestine Liberation Organization. This shows the regard that such countries as the Sudan have for the United States. These are the thanks we received for our kindness.

How in God's name can we continue to borrow money at 8.4 percent interest and actually give it to them for a period of 50 years? According to my interpretation of this legislation, the funds so lent to these underdeveloped countries are repayable over a 50-year period and carry no interest.

After a 10-year grace period a country must pay 1 percent of its obligation per year for 10 years and then 3 percent per year for the following 30 years. This is not interest, but a payment on the initial debt. A service charge of less than 1 percent is levied annually to meet administrative costs.

Just this year, this House passed a bill giving Swaziland, Bangladesh, and other countries a \$150 million disaster fund. This is to take care of those who are undernourished and I voted for this measure. I shall vote for other measures such as this. But this Nation of ours cannot continue solvent, borrowing funds at 8.4 percent or more and then lending it at no interest for a period of 50 years.

In Uganda, we have, under the soft loan program of IDA given them \$25.9 million. Yet the dictator, General Idi Amin, drove from his country minorities who had been there over a hundred years. Some of our friends here on the floor of the House express their support for minorities. I suggest that if their feelings are for minorities, they should oppose further loans to Uganda which is under the regime of Idi Amin.

Tanzania is controlled by Julius K. Nyerere, and it is my understanding that this is practically a Communist country, and we have given soft loans to this nation to the tune of \$75 million.

Not too long ago, Dr. Perry W. Summers, former professor in the Department of Agriculture at the University of Kentucky and for 17 years an employee of AID, told me personally in the Rayburn room which is just off the floor that 90 percent of all this foreign aid should be cut off.

Leon Ferguson, former employee of the British American Tobacco Co. in Guatemala, states that a water project paid for by American funds was subjected to gross abuse. He stated that on two occasions the pipe for carrying water in this area, when taken to the site for implantation, were stolen. He could not state definitely that the water system was ever completed.

I must submit, Mr. Chairman, that we should give assistance to countries which are in need, countries which suffer from disaster. This we have done in a \$150 million grant recently, passed by this House. At such future time as funds are

needed for people who are undernourished, or who undergo disasters such as frequently occur in South America and in India, we will again authorize and appropriate such funds as are needed to assist them.

Over the years our assistance to India, our soft loans to this country, have amounted to \$2.420 billion; our soft loans to Indonesia have amounted to \$477.8 million; our soft loans to Ethiopia have amounted to \$136.2 million, and that country is now undergoing tremendous upheaval; over the years, we have loaned Bangladesh through the soft loan window \$212,850,000; to Kenya we have loaned \$89.3 million, and this is one of the most fertile and productive areas of all Africa.

This year this country and others who do not belong to OPEC oil producing export countries, will pay to these countries \$70 billion for petroleum products. This will constitute a tremendous drain upon the Public Treasury. It is my understanding that Saudi Arabia recently contributed \$200 million to IDA and immediately borrowed back—of course at no interest—\$140 million. If IDA is to continue, the OPEC nations which will receive the \$70 billion this year for their oil must contribute a larger share to IDA. The United States will, as usual, contribute approximately three times as much as any of the 21 nations involved in the International Development Association.

I would like to address my remarks to the younger Members of this group and to those who are in marginal areas, and to ask you, how can you vote for such legislation to actually give or lend this money at no interest to other nations who have no respect whatever for this country, and who vote against the United States consistently in the United Nations, while we at the same time charge our Vietnam veterans no less than 7½-percent interest for the housing which they so badly need? In this November, we will face the electorate. Our veterans deserve—by reason of their service in the Armed Forces of the United States—housing. If you wish to return to this Congress, I strongly advise you to vote against this gigantic giveaway.

A related article follows:

[From the Washington Post, June 26, 1974]

U.S. ENVOY TO SUDAN IS RECALLED

The State Department called home the American ambassador in Khartoum yesterday after informing the Sudanese government that the United States "cannot accept" the release of Palestinian guerrillas who murdered two embassy officials last year.

The State Department move—a possible prelude to other actions—was announced soon after Sudanese President Jaafar Nimeri commuted the life sentences of the terrorists and decided to turn them over to the Palestine Liberation Organization.

The guerrillas seized the Saudi Arabian embassy in Khartoum on March 1, 1973, during a diplomatic reception, and took as hostages U.S. Ambassador Cleo A. Noel Jr., Counselor George C. Moore and Guy Eid, the Belgian charge d'affaires. The three were murdered in the basement of the embassy 24 hours later.

In a statement released by acting Secretary of State Joseph J. Sisco, the State Department declared:

"We are dismayed over this virtual release of these confessed murderers . . . We do not think that this decision lives up to the repeated assurances given at all levels of the Sudanese government that this case would be handled in a just manner."

The statement went on to say that while the United States had tried to avoid statements which could be taken as interference during the judicial process against the accused, "at the same time we attempted to make clear the importance the U.S. government attached to punishment commensurate with the crimes committed."

State Department officials said that Ambassador William D. Brewer had been advised to convey these views to the Khartoum government and then return home. He is due in Washington within 48 hours for "consultations."

Informed officials said yesterday that the action by President Nimeri indicated the pressures to which leaders of Middle East nations are subjected by the radical Palestinian organizations.

President Nimeri had promised in the past to deal sternly with the terrorists.

On Monday, a court sentenced the eight guerrillas to death. Nimeri then immediately overturned the verdict and ordered the defendants released to the custody of the PLO, to serve seven-year sentences.

Sudan claims to have an independent judiciary. Nimeri, a military leader, took power in a coup but was later elected president.

The United States has had an off-again, on-again relationship with Sudan since 1967. Khartoum broke relations during the Middle East war that year. They were not reestablished until July, 1972, Noel, the first American ambassador after the break, was murdered.

Following the release of the American statement yesterday, State Department spokesman Robert Anderson had information about the scope of the U.S. aid program to Sudan, which resumed in 1973. Last year, the country received an \$11 million loan for agricultural development, a \$2.2 million grant for refugee assistance, and a \$2.1 million long-term, low-interest loan making possible the purchase of 20,000 tons of U.S. wheat.

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

Mr. CONTE. Mr. Chairman, I rise in support of H.R. 15465, to provide funds for the U.S. contribution to the fourth replenishment of the International Development Association.

The IDA is the soft loan window of the World Bank, and was established to provide credits to those developing countries unable to pay the World Bank's conventional rates of interest on its ordinary loans. The IDA loans only to the very poorest countries—those with an average per capita income of less than \$375 per year. However, more than 80 percent of IDA credits go to countries with a per capita annual income of less than \$200.

Mr. Chairman, the IDA serves as an intermediary between the have and the have-not nations of the world. It permits the developed nations to pool their resources to provide the most efficient types of aid to those countries which really need it. It insures a burden-sharing among the prosperous nations of the world, so that the United States does not shoulder the unilateral burden of international reconstruction and development. Historically the United States has

provided about 40 percent of the IDA's funds. The proposal before us today will reduce that contribution to 33 1/3 percent. This acknowledges the success of other nations of the world, and their willingness to shoulder their fair share of the international development burden.

Mr. Chairman, the fourth replenishment will not come into effect unless the United States participates in it. All of the other donor nations have pledged their contributions, but the agreement is contingent upon our participation. The unraveling of that agreement would leave the poorest countries that cannot borrow on world capital markets in the untenable position of having no access to development loans. In addition, U.S. efforts to encourage international economic cooperation and to provide leadership in a world where "go-it-alone" tendencies are becoming increasingly evident would suffer a major setback.

Exactly what does the United States gain from its participation in the IDA? Is it merely another ineffective give-away program to ungrateful underdeveloped nations?

I think not, and I sincerely hope that my colleagues will see beyond their own neighborhoods and agree with me. The IDA operates in such a way that the United States can only benefit from continued participation.

The IDA assists in developing overseas markets for U.S. exports. The 66 countries who have borrowed from IDA have had consistently positive trade balances with the United States. Over the past 5 years, the United States has sold \$60 billion worth of goods to these countries while buying only \$46 billion worth. That gives us an export surplus of \$14 billion with these countries over the past 5 years. Equally important, our exports have been in manufacturing and agriculture, which create employment here in the United States, while we have primarily imported raw materials. From these 66 countries we get 99 percent of our natural rubber, 53 of our lumber, 79 percent of our copper ore, and 98 percent of our bauxite. A large portion of IDA assistance goes to develop these sources of natural resources, as well as the roads, ports, and electrical facilities necessary to gain access to them.

The IDA has financed such worthwhile projects as the irrigation of some 180,000 acres of land in Bangladesh; the education of 10,000 secondary school children in Paraguay; and drought relief to the six Sahelian countries. Every IDA project is a sound and important one. Constant World Bank supervision and rigorous international competitive bidding insure effective implementation at the best price. I am pleased to say that American bidders have been extremely successful in getting IDA project contracts. In 26 years of operation, the World Bank, of which the IDA is a part, has never had a default on any loan and never failed to pay interest to its bondholders. I believe that is a most impressive record, and one which we should enable to continue.

There are many reasons for continued U.S. participation in the IDA access to reliable supplies of required raw materials, the ability to construct a more

viable international monetary order, and the adjustment of world investment and trade policies to meet changing world conditions all required the participation of the poorest nations. Poverty breeds frustration, and anger, and promotes an international atmosphere most unconducive to world cooperation. In an increasingly interdependent world, it would be costly to the United States both politically and economically to ignore these fundamental issues of need in the less developed countries of the world.

I, therefore urge the adoption of this bill, to provide for continued participation of the United States in the International Development Association of the World Bank.

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

Mr. LONG of Maryland. Mr. Chairman, I rise against this bill, not because I am against helping the poor—heavens, no—I accept all the statements that have been made about the need for helping the poor.

I am against this bill because the aid it gives merely makes it possible for poor nations to divert their own funds for weapons and for roads to airports for the upper middle class. It does not accomplish the purported purposes of helping the poor.

I think we should vote this measure down in order to get substantial reform in the IDA program.

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

Mr. RANDALL. Mr. Chairman, I voted against the motion to strike the enacting clause. That was not the way to kill this bill. Moreover, I had hoped that after such a motion had been disposed of I might be able to get some time to discuss some of the provisions of H.R. 15465—which should be thoroughly and carefully considered.

But Mr. Chairman, the chairman of the Banking and Currency Committee has succeeded in choking off debate and I will be limited to a very few moments. The chairman of Banking and Currency writes most of his legislation on the floor of the House and never worries about the time of the membership. As amendment after amendment has to be added to perfect his bills—but it is a different story when someone not on his committee asks the privilege to challenge some of his statements.

Mr. Chairman, I understand my colleague from Missouri, Mr. ICHORD, has charged that a substantial portion of the funds of IDA will go to India. I would yield to him to verify that fact.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield, I will state that the record will show that it is expected that the nation of India, which recently developed a nuclear bomb, will get approximately 40 percent of these moneys.

Mr. RANDALL. I thank the gentleman for verification of these facts.

Now Mr. Chairman, we have been around the track on the International Development Association once before this

year. The bill we are considering today is virtually identical to one which the House defeated on January 23, 1974, by a vote of 155 to 248. The same \$1.5 billion is there. The same four annual installments of \$375 million called replenishment is there. IDA is still an agency of the World Bank. I oppose this legislation with the same vigor that I opposed it last January.

Why do I oppose this? Well, for the following reasons:

Why should we be obligated to contribute one-third of the replenishment made by all contributing countries? Last January this was defeated because we had an energy crisis. We still have an energy crisis. Maybe in the past we have had some balance-of-payments surpluses but now we face perennial balance-of-payments deficits. And the new holders of excess reserves will be the oil-producing countries of the Middle East.

For our country to contribute \$1.5 billion to IDA through the rest of this decade may be attributable to the beliefs of some of our people that we are the wealthy benefactors to all mankind. This belief should never have been accepted with any validity at any time, but even if it had some slight merit after World War II, it has none now, when our country is suffering from severe inflation and has shortages in about everything from energy to minerals which have been caused by the nations which we have so liberally assisted in the past. The time is past to adjust to some of these realities and the defeat of this so-called replenishment of money to IDA is the best place to start.

Mr. Chairman, I am in favor of the private ownership of gold but it is no reason why Americans should have to give away hard-earned tax dollars in exchange for the restoration of the right to own gold which should have been a fundamental right in the first place.

We have before us this day a parliamentary maneuver which took place in the other body. They tried to make IDA more palatable to the Members of the House. There is no relevancy whatsoever between gold ownership and IDA. It is my understanding in an earlier debate this maneuver was referred to as the "gold hooker" and that is an appropriate description.

Mr. Chairman, my great objection to this legislation is authorizing \$1.5 billion of money which we do not have. I do not know whether anyone can estimate the total we have given out in economic aid over the years, but it has been billions and billions of dollars. Right now we have more hand-out agencies in our Government than hand-in agencies. This must stop. Whether it is 20, 30, or 40 percent of this money that goes to India. Remember that this is the same India that had enough resources to develop the atom bomb. There is no mistake about it, India has been the benefactor in large amounts of IDA funds in the past, and there is nothing to indicate that the policy of lending to India will change whatsoever.

But, Mr. Chairman, there are so many

things wrong with this bill which we call the International Development Association Act. The loans are for 50 years with a 10-year grace period with no interest and only an administrative charge of three-fourths of 1 percent.

One of the worst things that happens is that these so-called developing nations turn around and lend to their own poor at rates of between 12 and 20 percent. When this is done, our country gets a bad name and all good will from such aid is dissipated. It is believed that some of the so-called developing countries are lending this money to their poor at interest rates much higher than they would pay in this country.

Mr. Chairman, I suppose the greatest reason of all that I am against this bill is that there are many areas of my own congressional district that could be said to be needing development loans.

They have not been able to get any money for water districts, or sewer districts or in some instances even for hospital assistance and yet, we continue to make these concessional loans which are really not loans at all but give-aways. How can that be justified?

Finally, I would think everyone in this House has been concerned about the problems of mortgage money. As our builders are struggling to obtain some money to construct needed housing in this country. If we pass this bill today it means we take another billion-and-a-half out of the private money market which means we also take money away from the housing needs of our low-income citizens and worst of all our senior citizens. When all of these things are added together, Mr. Chairman, it is difficult to see how support for IDA can be justified.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan.

Mr. ESCH. Mr. Chairman, as a cosponsor of this legislation, I rise to urge my colleagues to join in its support.

Mr. Chairman, in 1949 the Senator from my State of Michigan delivered a speech on the floor of the Senate concerning this Nation's responsibilities as leader of the free world. His remarks bear repeating today:

Much as we might crave the easier way of lesser responsibility, we are denied this privilege. We cannot turn back the clock. We cannot sail by the old and easier charts. That has been determined for us by the march of events. We have no choice as to whether we shall play a great part in the world. We have to play that part. We have to play it in sheer defense of our own self-interest. All that we can decide is whether we shall play it well or ill.

IDA was founded in 1960 as one of the vehicles by which the United States can play that role. If funds development projects in the world's 21 poorest nations, nations which are not credit worthy in the traditional sense and which are not eligible to receive regular World Bank loans. Eighty percent of them have a per capita income of \$200 or less. Not one has a per capita income in excess of \$375. Yet they represent about 1 billion people.

I would not attempt to argue here today that IDA is a prefect program. Yet

among all foreign assistance programs I believe it stands out as most worthy of our support. As of June 1973, IDA has authorized loans totaling \$5.8 billion to these 21 nations. These loans have not been for frills or luxuries. Rather, they have been for the necessities of human existence. Thus, 28 percent have gone for agricultural projects, 25 percent for transportation, 8 percent for power projects, 5 percent for development of industry, and 6 percent each for water and public health programs.

I would not attempt to argue here today that America could not use those same funds here at home. Surely we have our own difficulties. Yet I think we should reject the idea that we must either alleviate poverty and suffering at home or abandon our traditional commitment to aid in the development of the world's poorest countries. These goals are not mutually exclusive.

Finally, I would not attempt to argue that America alone amongst all nations should bear the burden of caring for the poor. To the contrary, we are giving to a truly international cooperative effort. Twenty-five other developed nations have pledged a total of \$3 billion—exactly twice our commitment. To be sure, the United States is still the largest single donor. Yet our share of IDA funding has been reduced from 40 percent to 33 percent. Japan meanwhile, will nearly double its contribution from 5.9 to 11 percent. West Germany will increase its share from 9.6 to 11.4 percent.

I would argue, Mr. Chairman, that to defeat this bill today would be to reject the idea that we have an important role to play in this world, a role that goes beyond our own borders. I would hope that my colleagues would carry forward the spirit of the late Senator from Michigan—not merely to play our role in the world, but to play it well.

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

Mr. ESCH. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I regret that H.R. 15465, as reported from committee, places the Members of the House in the position of casting a vote either in favor of or against two unrelated legislative proposals. While the bill would permit U.S. citizens to own gold, it would also authorize the fourth replenishment of the International Development Association. Although I strongly support elimination of the prohibition on private ownership of gold, I oppose the expenditure of \$1.5 billion in taxpayers' funds for four annual subsidies to the International Development Association. Therefore, I must rise in opposition to the legislation.

At a time when our domestic economy is threatened by inflationary pressures which are aggravated by continued deficit spending and faced with a business slowdown which is hampered by lack of investment capital, I cannot see the wisdom in an enormous commitment to provide for long-term, low-interest loans to other nations. The share of the United States in the IDA multination

arrangement would be 33½ percent and our money would be utilized for credit terms involving a 50-year maturity period, including a 10-year grace period. IDA charges its borrowers only a three-quarter percent per annum service charge. Its lending operations emphasize economic improvements for small businessmen and small farmers.

This type of foreign assistance program, while worthy in its ideals, perpetuates the concept of America as a wealthy benefactor to the extent that it is totally incongruous with economic realities. Disaster victims in the State of Arkansas, who recently had their lives' work demolished by tornadoes and severe flooding, are paying 5 percent interest on loans to rebuild their livelihoods. There is no "grace" period and no "forgiveness" clause. Cattlemen and poultry producers in my congressional district are caught in a price squeeze that is forcing them to cut back or cease their operations. Congress is now working on a loan assistance program for financially stricken livestock producers, but it will likely be a program of short-term assistance with repayment to be made at today's high "local lending rates." The energy shortfall has taken a toll throughout the Nation on the economic well-being of our citizens, and shortages in critical materials of all types have created particular burdens for small businessmen. Scarcity of investment capital is plaguing even the largest American businesses. If we must vote a \$1.5 billion assistance measure, let us reorder our priorities and help ourselves first.

H.R. 15465 also includes the wholly nongermane subject of private gold ownership by U.S. citizens. This is a good provision, but I object to the legislative procedure tying two nonrelated measures together in one package. In my judgment, this type of action represents irresponsible gamesmanship. The American people should have the right to buy, sell, and own gold; but they should not have to pay out \$1.5 billion to other nations in order to gain that right.

I understand that my distinguished colleague and friend, JOHN ROUSSELOT, will offer a motion to recommit to the Banking and Currency Committee H.R. 15465 with instructions that the International Development Association section be stricken. I will strongly support such a motion, which will allow the two issues to be considered separately and on their individual merits.

As H.R. 15465 now stands, it hangs a golden carrot over a giveaway program which we can ill afford. I urge my colleagues to defeat the measure.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Chairman, I want to clear up right now any possible allegation that IDA funds could have been used to finance—even indirectly—the development of India's nuclear device.

I have carefully reviewed all 60 credits made to India from the IDA through May 31, 1974. None of these credits could

in any way be related to financing India's nuclear device.

The Articles of Agreement of the World Bank and the IDA would prohibit any such activity with India or any other country. Article I of the Articles of Agreement specifically stipulates that the purposes of the institutions "are to promote economic development, increased productivity and thus raise standards of living in the less-developed areas of the world." Thus, it is clear that the World Bank and IDA resources may not be applied to military purposes or to the development of nuclear weapons in India or in any other country.

It is also impossible for IDA funds to be diverted to such purposes. World Bank and IDA funds are extended for specific high-priority economic development projects. Disbursements in connection with authorized projects are always contingent upon submission of very detailed documentation to the Bank/IDA staff, which insures that payments are made only for the goods and services specifically authorized and related to the Bank or IDA project. This is as true in India as it is in any other borrowing country.

In the cases where program loans or loans for technical assistance are made, the programs are designed to finance the imports of specific goods and/or services necessary for economic development purposes. Commodities and manpower necessary for developing a nuclear device are not eligible for financing. Disbursements are governed, of course, by the same rigorous documentation procedures as are required in all loans.

Mr. Chairman, I hope I have laid to rest any doubts my colleagues may have that IDA funds have been or could be used to finance the development of a nuclear device. The IDA is created for and serves only works of peace and is deserving of our strongest support. I for one intend to vote for this legislation.

*Statement of IDA Development Credits to India as of May 31, 1974
(In millions of dollars)*

<i>Purpose of credit</i>	<i>Amount</i>
Highway construction and improvement	\$60.0
Tubewell Irrigation	6.0
Shetrungi Irrigation project	4.5
Salandi Irrigation project	8.0
Punjab flood protection and drainage	10.0
Durgapur Power extension	18.5
Sone Irrigation project	15.0
Furna Irrigation project	13.0
Second Koyna Power project	17.5
Bombay Port project	18.0
Telecommunications project	42.0
Seventh Railway project	67.5
Kothagudem Power project	20.0
Industrial Imports project	90.0
Second Telecommunications project	33.0
Eighth Railway project	62.0
Second Industrial Imports project	100.0
Ninth Railway project	68.0
Beas Equipment project	23.0
Third Industrial Imports project	150.0
Fourth Industrial Imports project	65.0
Fifth Industrial Imports project	125.0
Third Telecommunication project	27.5
Tenth Railway project	55.0
Kadana Irrigation project	35.0
Sixth Industrial Imports project	75.0
Gujarat Agricultural project	35.0
Punjab Agricultural project	27.5

Andhra Pradesh Agricultural Credit project	\$24.4
Agricultural Aviation project	6.0
Fourth Telecommunications project	78.0
Second Power Transmission project	75.0
Haryana Agricultural Credit project	25.0
Tamilnadu Agricultural Credit Project	35.0
Cochin II Fertilizer Project	20.0
Wheat Storage project	5.0
Pochampad Irrigation project	39.0
Mysore Agricultural project	40.0
Gorakhpur Fertilizer Expansion project	10.0
Eleventh Railway project	75.0
Maharashtra Agricultural Credit project	30.0
Bihar Agricultural Markets project	14.0
Population project	21.2
Seventh Industrial Imports project	75.0
Shipping project	83.0
Education Project	12.0
Industrial Development Bank of India project	25.0
Nangal Fertilizer Expansion project	58.0
Third Power Transmission project	85.0
Mysore Agricultural Wholesale Market project	8.0
Bombay Water Supply & Sewerage project	55.0
Madhya Pradesh Agricultural Credit project	33.0
Uttar Pradesh Agricultural Credit project	38.0
Eighth Industrial Imports project	100.0
Fifth Telecommunications project	80.0
Calcutta Urban Development project	35.0
Bihar Agricultural Credit project	32.0
Twelfth Railway project	80.0
Himachal Pradesh Apple Processing and Marketing project	13.0
Ninth Industrial Imports project	150.0
Total	2,730.6

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BRADEMAS, 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. 15465) to provide for increased participation by the United States in the International Development Association and to permit United States citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad, pursuant to House Resolution 1209, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

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

The question is on the amendment.

The amendment was agreed to.

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

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

MOTION TO RECOMMIT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ROUSSELOT. I certainly am, Mr. Speaker.

The SPEAKER. The gentleman certainly qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ROUSSELOT moves to recommit the bill H.R. 15465 to the Committee on Banking and Currency with instructions to report the bill forthwith with the following amendments:

Strike all of lines 6 through 8 on page 1, and all of lines 1 through 6 on page 2.

The SPEAKER. Under the rule, the gentleman from California (Mr. ROUSSELOT) is recognized for 5 minutes.

Mr. ROUSSELOT. Mr. Speaker, this now gives the opportunity to all of those Members who said they supported the concept of returning ownership of gold to each citizen of this country a chance to vote for the motion to recommit, because that is the clear instruction contained in the motion. The Members will also be doing themselves a favor if they support the concept of IDA because this motion separates these two wholly unlikely legislative nonpartners which do not belong together in the first place.

This is a very proper motion of recommital. It does give us the opportunity of expressing ourselves more directly to each issue. We have heard from even our own chairman of the committee today, who said that he supports the idea of returning ownership of gold to all citizens of this country. I am glad that he made that statement.

We now have a real chance to separate these two issues, by voting for this motion of recommital. This matter of gold ownership will be brought back to us forthwith.

Mr. Speaker, I believe that it has been unfortunate that we have tried to join these two issues since they are wholly separate legislative goals. One is in the international field of finance, and one is totally related to the domestic consumption and a right of ownership of our own citizens; and that last item is a basic civil right. That no longer should be denied.

So, Mr. Speaker, I ask that all my colleagues who believe in the concept of private ownership of gold support this motion to recommit. I additionally address my remarks to many of my colleagues who have believed very conscientiously that this issue of IDA should be separated and who regret very much that the issue of gold was imposed in this bill when it really does not belong in an IDA bill. I ask those Members also to join us and vote for this motion to recommit.

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

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

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

I would like to commend the gentleman for offering this motion to recommit. I wish to state my support of the motion. This motion offers an opportunity for all those Members who believe in the precious freedom to own gold an opportunity to be recorded.

This privilege which has been denied our citizens would offer them an opportunity to protect themselves from the economic insanity which is being, and has been demonstrated by the Congress of the United States.

Gold, the true storehouse of value, is

a haven to escape the confiscation of private property by politicians and the printing press.

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

Mr. ROUSSELOT. I gladly yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, would the effect of the gentleman's motion be that the IDA provision would be eliminated when the bill is brought back?

Mr. ROUSSELOT. Yes, absolutely.

Mr. HOSMER. And it will be brought back only with the gold provision?

Mr. ROUSSELOT. The gentleman is correct. And we would bring the IDA bill back by itself in plenty of time for full consideration. We have plenty of time in which to do that.

Mr. Speaker, my point is if we genuinely believe in the real ownership of gold by all American citizens, this is our chance to show that belief. And to those Members who believe these two issues should never have been joined, I will say that they can easily vote for this motion to recommit, and I urge the Members to do so.

The SPEAKER. Does the gentleman from Wisconsin (Mr. REUSS) desire to be heard on the motion to recommit?

Mr. REUSS. Yes, Mr. Speaker, I desire to be heard briefly in opposition to the motion to recommit.

The SPEAKER. The Chair recognizes the gentleman from Wisconsin (Mr. REUSS) for 5 minutes.

Mr. REUSS. Mr. Speaker, I shall be very brief.

This motion to recommit in effect asks us to vote for an IDA bill without IDA, in effect to report out Switzerland without the Alps.

Let me just say to the gold bloc that any aficionado of gold and the private ownership of gold who votes for this motion, thinking that he is going to get gold in private ownership for American citizens, has got another thought coming, because the Senate is adamant on this point. To vote for the motion to recommit is simply to vote to kill forever not only IDA but the gold provision.

Let me just recapitulate by saying that for our monetary security, in order to gain necessary supplies, in order to get the support in development aid of 25 countries, and, above all, because it is right, we need an IDA bill, I hope that the motion to recommit will be voted down.

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

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

Mr. DERWINSKI. Mr. Speaker, I make the point that the gentleman from Wisconsin is one of the truly knowledgeable Members of the House on the subject of international finance. I think the House should listen to his urgings, reject the motion to recommit, and pass the bill.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the

Speaker announced that the noes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 135, nays 230, answered “present” 1, not voting 68, as follows:

[Roll No. 363]

YEAS—135

Abdnor	Fountain	Minshall, Ohio
Andrews, N.C.	Frey	Moorhead, Calif.
Andrews, N. Dak.	Froehlich	Murphy, Ill.
Archer	Gaydos	Myers
Ashbrook	Gialmo	Nichols
Bafalis	Ginn	O'Brien
Baker	Goldwater	Grasso
Bauman	Gross	Pettis
Beard	Guyer	Pike
Biaggi	Haley	Poage
Brys	Hammer-schmidt	Price, Tex.
Brinkley	Harsha	Quillen
Burgener	Hebert	Randall
Burke, Fla.	Henderson	Rarick
Burleson, Tex.	Hogan	Roberts
Burlison, Mo.	Hoit	Robinson, Va.
Butler	Huber	Rogers
Camp	Hudnut	Rostenkowski
Carter	Hungate	Roush
Casey, Tex.	Hunt	Rousselot
Chappell	Hutchinson	Roy
Clancy	Ichord	Runnels
Clark	Jarman	Ruth
Clausen,	Kazan	Satterfield
Don H.	Jones, N.C.	Shuster
Clawson, Del.	Jones, Okla.	Skubitz
Cleveland	Kemp	Snyder
Collins, Tex.	Ketchum	Spence
Conlan	Lagomarsino	Steelman
Cotter	Landgrebe	Stubblefield
Daniel, Dan	Latta	Syms
Daniel, Robert W., Jr.	Lent	Taylor, Mo.
Davis, S.C.	Littton	Taylor, N.C.
Delaney	Long, La.	Teague
Dennis	Long, Md.	Towell, Nev.
Dent	Lott	Veysey
Devine	McCollister	Waggonner
Dickinson	Macdonald	Wampler
Downing	Mann	White
Duncan	Maraziti	Whitehurst
Fish	Martin, N.C.	Wolf
Fisher	Mathis, Ga.	Young, Fla.
Flood	Melcher	Young, S.C.
Flowers	Millford	Zion
Flynt	Miller	

NAYS—230

Abzug	Crane	Hamilton
Adams	Cronin	Hanley
Addabbo	Culver	Hanna
Anderson, Calif.	Daniels, Dominick V.	Hansen, Idaho
Anderson, Ill.	Danielson	Harrington
Annunzio	Davis, Wis.	Hastings
Arends	Dellenback	Hawkins
Ashley	Dellums	Hechler, W. Va.
Aspin	Denholm	Heckler, Mass.
Badillo	Derwinski	Heinz
Barrett	Dingell	Heilstoski
Bennett	Donohue	Hicks
Blester	Drinan	Hillis
Bingham	Dulski	Hosmer
Blackburn	du Pont	Howard
Blatnik	Eckhardt	Johnson, Calif.
Boggs	Edwards, Ala.	Johnson, Pa.
Boland	Edwards, Calif.	Jordan
Bowen	Ellberg	Karth
Brademas	Esch	Kastenmeier
Breckinridge	Eshleman	King
Brooks	Evans, Colo.	Kluczynski
Broomfield	Fascell	Koch
Brotzman	Findley	Kyros
Brown, Calif.	Foley	Leggett
Brown, Mich.	Ford	Lehman
Brown, Ohio	Forsythe	Lukens
Buchanan	Fraser	McClory
Burke, Mass.	Frelinghuysen	McCormack
Burton, John	Frenzel	McDade
Burton, Phillip	Fulton	McFall
Cederberg	Fuqua	McKay
Chisholm	Gettys	McKinney
Cohen	Gibbons	Madigan
Collier	Gilman	Mahon
Collins, Ill.	Gonzalez	Mallary
Conable	Green, Pa.	Mathias, Calif.
Conte	Grover	Matsumaga
Conyers	Gubser	Mayne
Coughlin	Gude	Mazzoli

Metcalfe	Rhodes	Talcott
Mezvinsky	Riegle	Thompson, N.J.
Michel	Rinaldo	Thomson, Wis.
Mills	Robison, N.Y.	Thornton
Minish	Rodino	Tierman
Mink	Roe	Traxler
Mitchell, Md.	Roncallo, N.Y.	Treen
Mitchell, N.Y.	Rooney, Pa.	Udall
Moakley	Rosenthal	Van Deerlin
Mollehan	Royal	Vander Jagt
Morgan	Ruppe	Vander Veen
Mosher	Ryan	Vanik
Moss	St Germain	Vigorito
Murphy, N.Y.	Sandman	Walde
Murtha	Sarasin	Walsh
Natcher	Sarbanes	Ware
Nedzi	Schneebeli	Whalen
Nelsen	Schroeder	Whitten
Nix	Sebelius	Widnall
Obey	Seiberling	Wiggins
O'Hara	Shriver	Williams
O'Neill	Sikes	Wilson, Bob
Owens	Slack	Wilson, Charles H.
Pattman	Smith, N.Y.	Calif.
Patten	Staggers	Stanton, Charles, Tex.
Pepper	Perkins	Winn
Price, Tex.	J. William	Wright
Peyser	Stanton, James V.	Wyatt
Pickle	James V.	Wydler
Podell	Stark	Yates
Preyer	Steed	Yatron
Price, Ill.	Steele	Young, Ga.
Pritchard	Steiger, Wis.	Young, Ill.
Quie	Stephens	Young, Tex.
Rangel	Stokes	Zablocki
Rees	Stratton	
Regula	Studds	
Reuss	Symington	

ANSWERED “PRESENT”—1

Roncalio, Wyo.

NOT VOTING—68

Alexander	Evans, Tenn.	Meeds
Armstrong	Goodling	Mizell
Bell	Gray	Montgomery
Bergland	Green, Oreg.	Moorhead, Pa.
Bevill	Griffiths	Passman
Boiling	Gunter	Powell, Ohio
Brasco	Hanrahan	Railsback
Breux	Hansen, Wash.	Reid
Broyhill, N.C.	Hays	Rooney, N.Y.
Broyhill, Va.	Hinshaw	Scherle
Burke, Calif.	Holifield	Shipley
Byron	Horton	Shoup
Carey, N.Y.	Johnson, Colo.	Sisk
Carney, Ohio	Jones, Ala.	Smith, Iowa
Chamberlain	Jones, Tenn.	Steiger, Ariz.
Clay	Kuykendall	Stuckey
Cochran	Landrum	Sullivan
Corman	Lujan	Thome
Davis, Ga.	McCloskey	Ullman
de la Garza	McEwen	Wyman
Diggs	McSpadden	Young, Alaska
Dorn	Madden	Zwach
Erlenborn	Martin, Nebr.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Shipley for, with Mrs. Griffiths against.
 Mr. Bevill for, with Mr. Brasco against.
 Mr. McSpadden for, with Mr. Rooney of New York against.
 Mr. Montgomery for, with Mr. Reid against.
 Mr. Dorn for, with Mr. Holifield against.
 Mr. Byron for, with Mr. Diggs against.
 Mr. Landrum for, with Mr. McCloskey against.
 Mr. Passman for, with Mr. Erlenborn against.
 Mr. Stuckey for, with Mr. Horton against.
 Mr. Goodling for, with Mr. Bergland against.
 Mr. Martin of Nebraska for, with Mrs. Sullivan against.
 Mr. Mizell for, with Mr. Sisk against.
 Mr. Powell of Ohio for, with Mr. Gunter against.
 Mr. Steiger of Arizona for, with Mr. Corman against.
 Mr. Scherle for, with Mr. Gray against.
 Mr. Wyman for, with Mr. Breux against.
 Mr. Cochran for, with Mr. Madden against.

Mr. Hinshaw for, with Mr. Moorhead of Pennsylvania against.

Mr. Lujan for, with Mr. Meeds against.

Mr. Carney of Ohio for, with Mr. Chamberlain against.

Mrs. Hansen of Washington for, with Mr. Clay against.

Mr. Jones of Tennessee for, with Mr. Ullman against.

Until further notice:

Mr. Evans of Tennessee with Mr. Alexander.

Mr. Bell with Mr. Broyhill of Virginia.

Mr. Broyhill of North Carolina with Mr. Carey of New York.

Mr. Davis of Georgia with Mr. de la Garza.

Mrs. Green of Oregon with Mr. Hays.

Mr. Hanrahan with Mr. Jones of Alabama.

Mr. McEwen with Mr. Railsback.

Mr. Smith of Iowa with Mr. Shoup.

Mr. Young of Alaska with Mr. Thome.

The result of the vote was announced as above recorded.

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

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 225, nays 140, answered “present” 1, not voting 68, as follows:

[Roll No. 364]

YEAS—225

Abzug	Foley	Minish
Adams	Forsythe	Mink
Addabbo	Fraser	Minshall, Ohio
Anderson, Calif.	Frelinghuysen	Mitchell, Md.
Anderson, Ill.	Frenzel	Mitchell, N.Y.
Annunzio	Fulton	Moakley
Aspin	Gettys	Mollohan
Badillo	Gilman	Morgan
Bennett	Grasso	Mosher
Biesler	Gray	Murphy, N.Y.
Bingham	Green, Pa.	Nedzi
Blackburn	Hamilton	Nelsen
Blatnik	Hanley	O'Neill
Boggs	Harrington	Patman
Brown, Calif.	Hastings	Patten
Brown, Mich.	Hawkins	Perkins
Brown, Ohio	Heckler, Mass.	Pettis
Buchanan	Heinz	Pike
Burke, Mass.	Helstoski	Podell
Burton, John	Hicks	Preyer
Burton, Phillip	Hillis	Price, Ill.
Cederberg	Holtzman	Pritchard
Chisholm	Quile	Reile
Cohen	Hosmer	Reilly
Collar	Karren	Riggle
Collins, Ill.	Kastenmeier	Rinaldo
Conable	King	Robison, N.Y.
Conte	Kluczynski	Rodino
Conyers	Koch	Roe
Coughlin	Kyros	Roncallo, N.Y.
Crane	Cronin	Rooney, Pa.
Culver	Leggett	Rosenthal
Daniels,	Lehman	Roy
Dominick V.	Long, La.	Royal
Danielson	Luken	Ruppe
Davis, Wis.	McClory	Ryan
Dellenback	McCormack	Sandman
Dellums	McDade	Sarasin
Derwinski	McFall	Sarbanes
Dingell	McKay	Schneebeli
Dobson	Duncan	Schroeder
Dorn	McKinney	Sebelius
Dubois	du Pont	Eckhardt
Dunn	Macdonald	Madigan
Dunnigan	Mathias, Calif.	Seiberling
Dunnigan	Mathias, Calif.	Mallary
Dunnigan	Mathias, Calif.	Shriver
Dunnigan	Mathias, Calif.	Smith, N.Y.
Dunnigan	Mathias, Calif.	Stanton
Dunnigan	Mathias, Calif.	J. William
Dunnigan	Mathias, Calif.	James V.
Dunnigan	Mathias, Calif.	Stark
Dunnigan	Mathias, Calif.	Steel
Dunnigan	Mathias, Calif.	Steelman

Steiger, Wis. Vander Jagt
 Stephens Vander Veen
 Stokes Vanik
 Stratton Vigorito
 Studds Walde
 Symington Walsh
 Talcott Ware
 Thompson, N.J. Whalen
 Thomson, Wis. Widnall
 Thornton Wiggins
 Towell, Nev. Williams
 Traxler Wilson, Bob
 Treen Wilson
 Udall Charles H.
 Van Deerlin Calif.

NAYS—140

Abdnor Flynt Murphy, Ill.
 Andrews, N.C. Ford Murtha
 Andrews, Fountain Myers
 N. Dak. Frey Natcher
 Archer Froehlich Nichols
 Arends Fuqua Nix
 Ashbrook Gaydos Parrish
 Bafalis Gialmo Pickle
 Baker Ginn Poage
 Barrett Goldwater Price, Tex.
 Bauman Gonzalez Randall
 Beard Gross Rarick
 Biaggi Haley Roberts
 Bray Hammer Robinson, Va.
 Brinkley Schmidt Robinson, Va.
 Brooks Harsha Rogers
 Burgener Hechler, W. Va. Rostenkowski
 Burke, Fla. Henderson Roush
 Burleson, Tex. Hogan Rousselot
 Burlison, Mo. Holt Runnels
 Camp Huber Ruth
 Carter Hungate St Germain
 Casey, Tex. Hunt Satterfield
 Clancy Hutchinson Shuster
 Clark Ichord Sikes
 Clausen, Jarman Skubitz
 Don H. Jones, N.C. Slack
 Clawson, Del Jones, Okla. Snyder
 Cleveland Kazen Spence
 Collins, Tex. Kemp Staggers
 Conlan Ketchum Steed
 Cotter Lagomarsino Stubblefield
 Daniel, Dan Landgrebe Symms
 Daniel, Robert Latta Taylor, Mo.
 W., Jr. Lent Taylor, N.C.
 Davis, S.C. Long, Md. Teague
 Delaney Lott Tiernan
 Denholm McCollister Veysey
 Dennis Mahon Waggoner
 Dent Mann Wampler
 Devine Maraziti White
 Dickinson Mathis, Ga. Whitehurst
 Dingell Melcher Whitten
 Donohue Michel Wolff
 Downing Milford Young, Fla.
 Dulski Miller Young, S.C.
 Fish Moorhead, Zion
 Fisher Calif.
 Flowers Moss

ANSWERED "PRESENT"—1

Roncalio, Wyo.

NOT VOTING—68

Alexander Evin, Tenn. Meeds
 Armstrong Gibbons Mizell
 Bell Goodling Montgomery
 Bergland Green, Oreg. Moorhead, Pa.
 Bevill Griffiths Passman
 Bolling Gunter Powell, Ohio
 Briscoe Hansen, Wash. Railback
 Breaux Hansen, Wash. Reid
 Brophy, N.C. Hays Rooney, N.Y.
 Brophy, Va. Hinshaw Scherle
 Burke, Calif. Holifield Shipey
 Byron Horton Shoup
 Carey, N.Y. Johnson, Colo. Sisk
 Carney, Ohio Jones, Ala. Smith, Iowa
 Chamberlain Jones, Tenn. Steiger, Ariz.
 Clay Kuykendall Stuckey
 Cochran Landrum Sullivan
 Corman Lujan Thone
 Davis, Ga. McCloskey Ullman
 de la Garza McEwen Wyman
 Diggs McSpadden Young, Alaska
 Dorn Madden Zwach
 Erlenborn Martin, Nebr.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mrs. Griffiths for, with Mr. Shipey against.
 Mr. Briscoe for, with Mr. Bevill against.
 Mr. Rooney of New York for, with Mr. McSpadden against.

Wilson, Charles, Tex.
 Winn Wright
 Wyatt Wydler
 Wylye Yates
 Yatron Young, Ga.
 Wiggins Young, Ill.
 Towell, Nev. Young, Tex.
 Traxler Wilson, Zablocki
 Treen Wilson
 Udall Charles H.
 Van Deerlin Calif.

NAYS—140

Mrs. Burke of California for, with Mr. Zwach against.
 Mr. Corman for, with Mr. Steiger of Arizona against.
 Mr. Breaux for, with Mr. Wyman against.
 Mr. Madden for, with Mr. Cochran against.
 Mr. Moorhead of Pennsylvania for, with Mr. Hinshaw against.
 Mr. Meeds for, with Mr. Lujan against.
 Mr. Chamberlain for, with Mr. Carney of Ohio against.
 Mr. Clay for, with Mrs. Hansen of Washington against.
 Mr. Ullman for, with Mr. Jones of Tennessee against.
 Mr. Gibbons for, with Mr. Scherle against.

Until further notice:

Mr. Alexander with Mr. Bell.
 Mr. Brophy of North Carolina with Mr. de la Garza.
 Mr. Carey of New York with Mr. Evans of Tennessee.
 Mr. Davis of Georgia with Mrs. Green of Oregon.
 Mr. Brophy of Virginia with Mr. Hanrahan.
 Mr. Hays with Mr. Jones of Alabama.
 Mr. Kuykendall with Mr. McEwen.
 Mr. Smith of Iowa with Mr. Railback.
 Mr. Thone with Mr. Shoup.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1209, the Committee on Banking and Currency is discharged from the further consideration of the Senate bill (S. 2665) to provide for increased participation by the United States in the International Development Association.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. PATMAN

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

The Clerk read as follows:

Mr. PATMAN moves to strike out all after the enacting clause of the bill S. 2665, and insert in lieu thereof the text of the bill H.R. 15465, as passed as follows:

That the International Development Association Act (22 U.S.C. 284 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 14. (a) The United States Governor is hereby authorized to agree on behalf of the United States to pay to the Association four annual installments of \$375,000,000 each as the United States contribution to the Fourth Replenishment of the Resources of the Association.

"(b) In order to pay for the United States contribution, there is hereby authorized to be appropriated without fiscal year limitation four annual installments of \$375,000,000 each for payment by the Secretary of the Treasury."

Sec. 2. Subsections 3 (b) and (c) of Public Law 93-110 (87 Stat. 252) are repealed and in lieu thereof add the following:

"(b) No rule, regulation, or order in effect on the date subsections (a) and (b) become effective may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing with gold in the United States or abroad.

"(c) The provisions of subsections (a) and (b) of this section shall take effect either on December 31, 1974, or at any time prior to such date that the President finds and reports to Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States' international monetary position."

SEC. 3. The International Development Association Act (22 U.S.C. 284 et seq.) is amended by inserting at the end thereof the following:

"SEC. 15. The United States Governor is authorized and directed to vote against any loan or other utilization of the funds of the Association for the benefit of any country which develops any nuclear explosive device, unless the country is or becomes a State Party to the Treaty on the Non-Proliferation of Nuclear Weapons (21 UST 483)."

The motion was agreed to.

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

The title was amended so as to read: "to provide for increased participation by the United States in the International Development Association and to permit U.S. citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 15465) was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the legislation just passed.

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

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. ARENDS. Mr. Speaker, I have taken this time so that I might ask the gentleman from Indiana (Mr. BRADEMAS) if the gentleman can give us the rest of the program for today, if any, and the program for tomorrow and next week.

Mr. BRADEMAS. Mr. Speaker, if the gentleman will yield, I will be happy to respond to the inquiry of the gentleman from Illinois.

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

Mr. BRADEMAS. Mr. Speaker, there is no further legislative business for today, and we will have no legislative business for tomorrow when we meet at noon.

As the gentleman from Illinois knows, we have already adopted the adjournment resolution to adjourn until noon on Tuesday, July 9.

The program for the House of Representatives for next week is as follows: Monday is the Independence Day recess.

Tuesday is District Day, and there are three bills:

H.R. 5686, District of Columbia Motor Vehicle Act;

H.R. 13608, school fare subsidy; and

S. 3703, District of Columbia Criminal Justice Act.

On Wednesday we will consider H.R. 14920, Geothermal Energy Research, Development and Demonstration Act, under an open rule with 1 hour of debate, and

H.R. 15323, revising and amending the Price-Anderson Indemnity Provisions of the Atomic Energy Act of 1954, under an open rule with 1 hour of debate.

For Thursday and the balance of the week, we will consider H.R. 14215, Development Disabilities Amendments, subject to a rule being granted, and

H.R. 15427, Amtrak authorization, under an open rule with 1 hour of debate.

Of course, conference reports may be brought up at any time, and any further program will be announced later.

We will meet tomorrow, I would reiterate to the distinguished minority whip.

MR. AREND'S. I thank the gentleman.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

MR. BRADEMAS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

TERMINATION OF FOREIGN AID TO TURKEY

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

MR. HASTINGS. Mr. Speaker, the Government of Turkey yesterday announced the removal of their ban on the growth of opium producing poppy. This ban was put into effect in 1971 in cooperation with the U.S. Government, to halt the illicit supply of morphine base from Turkey to the heroin laboratories in Marseilles, France. It is estimated that 80 percent of the white heroin found in the streets of the United States had its source from the illicit market in Turkey.

The U.S. Government in 1971, pledged \$35.7 million to the Turkish Government to provide credit for financial loss of legal opium sale to the pharmaceutical industry and to provide crop substitution for the Turkish farmers who for centuries have grown opium poppy.

The decision of the Turkish Government is totally unacceptable. Congressman FREY and myself recently returned from Turkey where the American Ambassador, William Macomber has been

doing an outstanding job in negotiating this most serious, but very delicate matter. We were led to believe by Turkish officials, that any decision on the removal of the ban would be discussed in advance with Ambassador Macomber. This they did not do.

Further, in 1971, only four provinces in Turkey were growing poppy. The announcement of yesterday indicated that poppy will be grown in six or seven provinces.

A recent Turkish Government amnesty bill has released from jail, all convicted and charged narcotic traffickers, who will now be prepared to rebuild the pipelines of illicit opium traffic which will inevitably result in increased supply of heroin in the streets of the United States.

The number of narcotic arrests in New York City alone has decreased from 41,000 in 1971 to only 16,000 in 1973, a direct result of the reduction in supply of Turkish heroin.

Mr. Speaker, I take this time to advise the House, the American people, and the Turkish Government that in light of this tragic, political decision by the Turkish Government, that I will take the only course of action now available as a recourse, and when the Economic Assistance Act comes to the floor for authorization approval, I will move to eliminate all economic aid to Turkey. This is estimated to be \$27.5 million. And when the military assistance appropriation bill reaches the floor, I will move to strike the \$205 million in aid to Turkey.

Mr. Speaker, I hesitate to suggest these drastic economic sanctions against a long-time ally of the United States, but the severity of the drug problem and the lack of understanding and good faith expressed in this decision by the Turkish Government, leaves no alternative.

I would sincerely hope that this decision could be reversed or held in abeyance for future negotiation.

TURKISH LIFTING OF BAN ON GROWING OF OPIUM POPPY

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

MR. FREY. Mr. Speaker, the action by the Turkish Government in lifting its ban on the growing of the opium poppy leaves the United States with one course of action and that is to cut off all financial aid to Turkey.

I returned less than 2 weeks ago from Turkey where by discussions with Turkish Government officials led me and my colleague, Representative JAMES HASTINGS of New York, to believe that any termination of the poppy growing ban would be first discussed with our Government officials.

Those Turkish-United States discussions apparently did not take place, however, and now Turkey has decided to allow the opium poppy to be grown in seven provinces.

Turkey made its decision without regard to the hundreds of thousands of young Americans who will undoubtedly become addicts to heroin and I firmly be-

lieve we must now make our determination regarding aid to Turkey on the basis of what is best for America.

When the Turkish Government banned the growing of the poppy it was reported that we had more than 600,000 heroin addicts on the streets of America and that up to 80 percent of the heroin they were using had its origin in the poppy fields of Turkey. The number of addicts, because of the ban, is now down to 230,000 so we can see the effect of the poppy ban was only good.

Despite millions of tax dollars and thousands of man-hours, the United States has been unable to keep illicit drugs from being smuggled into this country.

It is, therefore, ridiculous to believe the Turkish Government, with less money to spend and less manpower to commit, can prevent opium from being smuggled from that country.

I realize, Mr. Speaker, that the President has the power to stop economic aid to Turkey in this case, but I also believe it is time the House of Representatives stood up to show the Turkish Government we will not stand idly by and let a heroin epidemic sweep this country.

I intend, Mr. Speaker, and I hope my colleagues will do likewise, to vote against any further economic or military aid to the Government of Turkey.

The Turkish Government has apparently decided what is in its best interests and the Government of the United States can do no less.

A COMPREHENSIVE CAMPAIGN REFORM BILL

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

MR. BRADEMAS. Mr. Speaker, as a member of the House Administration Committee, I take this time to note that yesterday the committee completed markup of a comprehensive campaign reform bill and, by a vote of 21 to 0, gave tentative approval to it.

Following the Fourth of July recess, the committee will again meet to report a clean bill, and the distinguished chairman of the committee, the gentleman from Ohio (Mr. HAYS) has indicated his hope that the House will have an opportunity to vote on the bill some time later this month.

Mr. Speaker, before listing some of the major provisions of the bill, I want to say a word about Chairman Hays, who sat through long and sometimes tedious sessions of the committee in an effort to shape a solid piece of legislation.

Although members of the committee on both sides of the aisle, including the gentleman from Indiana who is speaking, may have from time to time disagreed on some particular matter with the views of the chairman, I think all would agree that he was careful to insure that every member had an opportunity to express his views and offer amendments.

The Chairman of the Committee on House Administration (Mr. HAYS) worked long and hard on this bill as did a number of other members on the com-

mittee, both Democrats, and Republicans, and I believe we have written a sound campaign reform bill, one which merits the support of Members of the House of both parties.

Now Mr. Speaker, let me indicate the major provisions of the campaign reform bill that was yesterday agreed upon.

The bill includes strict limitations on expenditures and contributions for all Federal elections.

It simplifies reporting requirements and mandates that each candidate designate a principal campaign committee that would make all the candidate's expenditures and file a consolidated disclosure report for all the candidate's committees.

The measure also provides for an independent authority to administer the campaign laws by establishing a Board of Supervisory Officers and by creating a separate Assistant Attorney General to enforce these laws.

The bill approved by the committee provides for public financing of Presidential elections by strengthening and expanding the 1972 Dollar Check-off Law, which is now limited to public financing of Presidential general elections, starting in 1976.

The Committee bill would make the Dollar Check-off Law self-appropriating, thereby assuring that the dollars that have been checked off by individual taxpayers would, as they intended, be available for public financing, without a separate congressional appropriations bill.

The bill approved yesterday would also authorize up to \$2 million from the check-off fund for each major political party, and proportionately smaller amounts for minor parties, to meet the expenses of Presidential nominating conventions.

The bill provides an overall spending limit of \$2 million, from both public and private sources, for each political party to meet all convention expenses.

The bill also provides for limited public financing of Presidential primary elections by authorizing Federal matching payments—from the Dollar Check-off fund—for small private contributions of \$250 or less. Public funds for Presidential primary elections would not be available, however, until after obligations for nominating conventions and Presidential general elections were met.

Under the bill, no Presidential primary candidate could receive more than \$5 million in Federal funds, with an overall spending limit of \$10 million.

In order to qualify for the public funds, a Presidential primary candidate would have to raise at least \$5,000 in private contributions of \$250 or less in each of 20 States.

Finally, Mr. Speaker, critics have charged that a defect in the Committee bill is its reliance on a Board of Supervisory Officers rather than a so-called independent Federal Elections Commission to enforce the election laws.

Let me note, however, that the so-called independent Elections Commission, which is included in the bill passed by the Senate earlier this year, would turn control of enforcement of the elec-

tion laws over to the Watergate White House by providing that all the members of the Commission be appointed by the President, with a majority coming from his own party.

Moreover, that majority would be authorized to appoint the staff director of the Commission to whom nearly all the responsibilities of the Commission could be designated.

Mr. Speaker, the Board of Supervisory Officers, which won overwhelming support from both Democrats and Republicans on the House Administration Committee, offers an effective mechanism to monitor campaign laws and to assure their enforcement.

And the provision for a new Assistant Attorney General to enforce the election laws and an independent legislative authorization for the Board will, coupled with the searchlight of public scrutiny, assure that the laws will be honestly and effectively enforced.

Mr. Speaker, some have attacked the Board of Supervisory Officers because Members of Congress would sit on it. But I would observe that there has been little serious criticism of the present supervision of the existing campaign laws as they apply to Members of Congress.

In light of recent events, the proposal to place control of these laws in the hands of the Watergate White House seems, to be gentle about it, a step backward for campaign reform.

Mr. Speaker, as I have said earlier, Chairman HAYS has indicated that he will introduce a clean bill shortly after the Fourth of July recess. The measure will be formally reported after the committee has had an opportunity to review the bill for any technical problems. We can, therefore, expect consideration of the campaign reform legislation by the House before the end of this month.

Mr. Speaker, because I am sure many Members are interested in this most important legislation, I include in the Record a brief summary of its major provisions:

SUMMARY OF FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

TITLE I—CRIMINAL CODE AMENDMENTS

A. Contribution Limits:

\$1,000 limit per election on contributions by any person to a candidate for Federal office.

\$5,000 limit per election on contributions to candidates for Federal office by multicandidate committees.

\$25,000 limit on amount one individual may contribute in any year to all candidates for Federal office.

Prohibit contributions by foreign nationals.

B. Expenditure Limits:

Sets overall expenditure limitations for all Federal elections, including:

a) President:

General Election: \$20 million.

Primary Election: \$10 million.

b) Senate:

\$75,000, or 5¢ a voter, whichever is greater, in each of the primary and general elections.

c) House:

\$75,000 in each of the primary and general elections.

All candidates for Federal office would be able to spend up to 25% above these limits to meet fundraising costs.

Expenditure limitations would be increased by a cost-of-living escalator.

Prohibits a candidate for Federal Office from spending more than \$25,000 per election from the candidate's personal funds.

TITLE II—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

A. Simplifies reporting requirements.

Provides for a single 10 day pre-election report instead of the 5 and 15 day pre-election reports required by existing law.

Requires a report 30 days after each election.

Waives quarterly reports if they fall within 10 days of a pre- or post-election report or if contributions or expenditures by the committee or candidate do not exceed \$1,000 during that quarter. The waiver would not apply to the quarterly report filed after December 31 of each year.

B. Principal Campaign Committee:

Requires that each candidate designate a principal campaign committee to make all that candidate's expenditures and to file a single disclosure report which consolidates the reports of all the political committees which support the candidate.

C. Independent Enforcement Entity:

Creates a Board of Supervisory Officers, composed of the Clerk of the House, the Secretary of the Senate, the Comptroller General, and one Member of each political party in the House and Senate; and a separate Assistant Attorney General for election law matters to supervise and enforce Federal election laws.

TITLE III—GENERAL PROVISIONS

A. Pre-empts State election laws.

B. Public Financing of Presidential Elections:

Strengthens and expands the existing Dollar Check-off Law, now limited to financing Presidential general elections, to authorize some public financing of all phases of Presidential elections.

a) Makes the Dollar Check-off Fund self-appropriating to assure that money in the Fund may be used without requiring a separate Congressional appropriation.

b) *Nominating Conventions*—provides up to \$2 million from the Check-off Fund for each major political party, and proportionately smaller amounts for minor political parties, to meet the expenses of Presidential nomination conventions. Also provides an overall expenditure limit of \$2 million for all convention expenses for each political party from both public and private sources.

c) *Presidential Primaries*—authorizes limited public financing of Presidential primary elections by authorizing Federal payments from the Dollar Check-off Fund to match small private contributions of \$250 or less. Public funds for Presidential primary elections would not be available, however, until after obligations for nominating conventions and Presidential general elections have been met.

No Presidential Primary candidate could receive more than \$5 million in Federal funds, with an overall spending limit of \$10 million. To qualify for the public funds, a Presidential primary candidate would have to raise at least \$5,000 in private contributions of \$250 or less in each of 20 states.

d) *Hatch Act*—allows State and local government employees to participate on a voluntary basis in certain partisan political activity.

TURKEY'S RESUMPTION OF OPIUM PRODUCTION

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

Mr. WOLFF. Mr. Speaker, Turkey has just thumbed its nose at you and the American people. They have announced officially a resumption of opium produc-

tion. They have taken the first step to reestablish the French Connection.

A majority—238 Members of this House, the majority leader, and the minority leader have introduced legislation to convey the intensity of our feelings—the debilitating effect breaking this agreement with us will have upon the youth of America and our military forces throughout the world. We met our part of this bargain authorizing \$35.7 million dollars to the Turkish Government. This money given to the Turks however never reached the farmers.

Before the Turkish ban, 80 percent of all heroin coming into the United States had its origin in Turkey—drug related crime was costing the American taxpayers \$27 billion annually. Since the ban, we have cut the addict population in the United States in half. Drug abuse in the military has been reduced because of the lack of availability of heroin produced in Turkey. What is more important—to walk the streets in safety or give aid to help the Government of Turkey?

Turkey says they will control production—they will not plant in seven provinces instead of four. Every responsible drug enforcement agency in the world, including our own says its impossible to control—the only control of Turkish opium will be in the hands of organized crime who will control the illicit supply to fill their coffers and the veins of American youth. I have just been authorized by Chairman MORGAN of the Foreign Affairs Committee to announce that hearings on our bill—House Concurrent Resolution 507, which will cut off all aid to Turkey—will begin during the week of July 9. If Turkey has declared a drug war on us as they have with this announcement, we must respond.

THE LATE SENATOR ERNEST GRUENING OF ALASKA

The SPEAKER pro tempore (Mr. MAZZOLI). Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 60 minutes.

Mr. CONTE. Mr. Speaker, I am proud to join my colleagues in paying tribute to the late Senator Ernest Gruening of Alaska.

Senator Gruening was more than just an able and an outspoken representative of the State of Alaska. He was a courageous leader and a fierce fighter for the things in which he believed. The vigor and energy which Senator Gruening displayed, especially in his late years, is something of which we can all take note.

When I said that the late Senator Gruening was more than just a representative of Alaska, I meant more than to say he was a national political figure. More than any of the rest of us here in the Congress of the United States, Ernest Gruening helped create the State that he was destined to represent in this great body. Since 1939 when he was appointed Governor of the Territory of Alaska, Ernest Gruening labored long and hard to bring Alaska to the point when it was ready for statehood and then to help it win that revered position. Once Alaska

had achieved statehood he was given the responsibility of representing it in the Senate, a duty he fulfilled very admirably.

Like many of his colleagues, I always admired the strength and drive of the gentleman from Alaska. He was able, sooner than many, to see the error in our foreign affairs. Senator Gruening did not let his 1968 primary defeat keep him from serving the people of Alaska and of the United States. He remained active in national affairs, always ready to support those in whom he believed and anxious to share his insights with his former colleagues. Just a few months ago the late Senator visited the Senate on the occasion of his 87th birthday. At that time several of his former colleagues joined together to nominate him for the Nobel Peace Prize. I can think of no finer tribute to a man who has done so much for our Nation.

My wife Corrine joins me in expressing my deepest sympathy to the late Senator's wife Dorothy and to his family.

Mr. ROSENTHAL. Mr. Speaker, if a sequel is ever written to President Kennedy's book, "Profiles In Courage," the first chapter would have to be devoted to Ernest Gruening. If each of the 535 Members of Congress had only a portion of his courage and foresight, the peoples' confidence in their legislation branch of Government would be significantly higher than the 21 percent found by a recent Gallup poll.

Mr. Speaker, Senator Gruening knew that blind obedience to immoral or amoral governmental policies ill serves either one's conscience or one's patriotic duty. That is why he became and remained until his life ended, one of our most articulate and tenacious opponents of the tragic war in Vietnam.

Although he played a major role in achieving statehood for Alaska, and did pioneering studies into the need for population planning, Ernest Gruening's most important contribution to our times was, in my opinion, his ceaseless efforts to extricate the United States from Vietnam and to bring peace to that troubled part of the world. I suppose it is fair to say that that effort was, at one and the same time, his greatest achievement and bitterest disappointment. Senator Gruening could only have experienced disappointment when his counsel was rejected and his wisdom ignored on the war issue. After all, the Senator was right when most of his colleagues were wrong; he knew immediately that the consequences of our policies in Southeast Asia could only result in national disunity, soaring inflation, and personal tragedy for thousands of American families. How different our Nation and the world might be today if his warnings had been heeded in a timely fashion.

On the other hand, it would be unfair to the memory and accomplishments of Ernest Gruening, if we failed to acknowledge that his persistent and heroic opposition to the war did result in an earlier end to the conflict than would otherwise have occurred. The Nation owes him an enormous debt of gratitude and respect because without his

example, some of us might not have had the courage to voice our own opposition to what is surely the saddest chapter in American history in the 20th century.

Mr. Speaker, it is a privilege for me to join in this tribute to a very distinguished American hero—Ernest Gruening.

Mr. HALEY. Mr. Speaker, the heroes of statehood for most of the States of the Union are enshrined in our history books.

Because admission to the Union for Alaska is so recent, however, those leaders who fought for her statehood have yet to find their places in the standard chronicles of the Nation.

But this fact, if it be true with respect to Senator Gruening, is irrelevant. For he long ago claimed his place in the hearts of the people of Alaska, and in ours.

Those of us who had the privilege of knowing Ernest Gruening know how little he needs any memorial beyond the satisfaction that he experienced in knowing that today Alaska is a State assuming her position in an ever-responsible way as her maturity increases. With this realization goes the further satisfaction that Ernest Gruening had, of knowing that he symbolized the people of Alaska to the Congress, and that, because of such a symbol, first as territorial Governor and then as U.S. Senator, we in the House were encouraged to follow his lead, knowing our confidence would not be misplaced.

There are barely 15 years of the history of Alaska as a State for us to review. But we have a deeper understanding of the State and her problems because of the intimate knowledge of Ernest Gruening and the driving force that brought that wisdom to us all. The modern State of Alaska remains an everlasting memorial to his foresight and to his leadership. Mrs. Haley joins me in expressing our deepest sympathy to Mrs. Gruening, their son and grandchildren.

Mr. ANDERSON of California. Mr. Speaker, I rise to pay tribute to a remarkable man, the father of Alaskan statehood, the late Senator Ernest Gruening of Alaska.

Educated as a doctor of medicine, Senator Gruening was more interested in public affairs, and, instead of medicine, he became a journalist where his articulate and persuasive opinions could influence a greater number of people's lives.

As both a journalist and a public official, he was a champion of social justice and the rights of minorities, pioneering causes spanning decades—causes which were ahead of the public and their representatives.

Senator Gruening brought great passion and personal commitment to the problems of the Nation. And he energetically and consistently attacked any hypocrisy or corruption that he found.

Following a career as reporter, editorial writer and managing editor of such publications as the Boston Traveler, the Boston Journal, the Spanish language newspaper La Prensa, the Portland Maine Evening News, the Nation, and the New York Post, Senator Gruen-

ing was appointed by President Roosevelt as Director of the Division of Territories and Island Possessions in the Department of the Interior, with jurisdiction over Hawaii and a host of small Pacific Islands, Puerto Rico, the Virgin Islands, and Alaska.

In 1936, he made his first trip to Alaska and was struck by both its beauty and its inaccessibility. He then worked to expand air transportation to the area, and to construct the highway, known as Alcan, to link Alaska with the United States.

Then, in 1939, President Roosevelt named him Governor of Alaska, where he won approval of a system of taxation designed to clamp down on the absentee exploiters of the territory's raw materials.

After 14 years as territorial Governor, he led the fight for Alaskan statehood, personally presenting statistics, information, and data justifying the great potential of this area.

Then in June 1958, Congress voted statehood. Later in the fall, he was elected to represent Alaska in the U.S. Senate, where he continued his efforts to eliminate social injustice and to research methods of birth control.

An early critic of American intervention in Vietnam, Senator Gruening argued in 1963 that U.S. advisors should not be assigned to assist the government then in power in Saigon. And his book, *Vietnam Folly*, still stands as an outstanding documentation of the case against American involvement in Indochina.

Mr. Speaker, Senator Gruening was a statesman, dedicated to justice and to peace. Our Nation has benefited countless times from his actions and from his words, and we are grateful for his service to humanity.

My wife, Lee, joins me in sending our condolences to his wife of 60 years, Mrs. Dorothy Smith Gruening, and his son, Huntington Sanders Gruening.

Mr. JOHNSON of California. Mr. Speaker, it is with a deep sense of sadness that I rise today to pay tribute to an old friend and a fine Senator.

One of the privileges of serving in the House of Representatives is the opportunity to associate with some of the finest, most dedicated people in the Nation. Ernest Gruening was one of those people.

In his long years of public service, which included 13 years as the Governor of the Territory of Alaska and two terms as a U.S. Senator, representing the State of Alaska, he served as an example for all of us.

He was outspoken in his fight for social justice and the equality of man. In each of his many battles, he was articulate and persuasive. We have made much progress in these important fields because of his courage and foresight.

I will remember him for our close association and our work together to achieve a goal which we shared—namely the conservation and wise utilization of our God-given natural resources. He was an outstanding leader in this area.

It was a pleasure and an honor to have served with him and Albra joins

me in expressing deepest sympathy to the family of this very fine man.

Mr. ADDABBO. Mr. Speaker, I rise to join my colleagues in paying tribute to the memory of a man who was truly ahead of his time, the late Senator Ernest Gruening of Alaska.

Few men have had the impact on their home State or the Nation that this wise gentleman had. His leadership in obtaining statehood for Alaska and in alerting the Nation to the dangers of U.S. involvement in Vietnam will be recorded in history for future generations to study and admire.

It was my privilege to know Senator Gruening and to work with him in Congress. His passing leaves a void which cannot be totally filled for he was a unique man. His legacy however stands as a proud reminder to us all of the boundless opportunity for service we in Congress enjoy and the grave responsibility we share for world peace and domestic progress.

Senator Gruening's contributions to international peace with justice were many and his wisdom on the proper U.S. role in foreign affairs was certainly incisive. I will always remember him as a man without fear of criticism where his philosophical beliefs were in question and a man who proved his courage through unceasing dedication to those principles.

We will miss Senator Gruening and we are fortunate to have received his record of public service as a benchmark for our own service in the Congress. I join with my colleagues in extending personal sympathies to his family and many admirers.

Mr. VANIK. Mr. Speaker, spoken language rarely can express the emotions we all feel on the death of a man. Such is the case with the passing last week of Senator Ernest Gruening.

Ernest Gruening's life was a full and rich one—a life that can serve as a model to all Americans who aspire to genuinely serve their countrymen. Although he was trained to help people as a physician, Ernest Gruening soon learned he could not be satisfied treating only the ills and sicknesses of people, but that it was necessary to alleviate the inequities and injustices that caused mankind to suffer in other and perhaps greater ways.

His consuming interest in public affairs and human dignity and justice are what drove Ernest Gruening to participate in every area of society. Although most all of us associate Ernest Gruening with Alaska and its drive for statehood, he had previously fought just as hard for the rights of Puerto Rico and written and lobbied for Mexican democratization. His distinguished tenure as U.S. Senator from Alaska showed that he maintained his interest and diversity in all aspects of human affairs.

And Ernest Gruening did not let age overtake him. He was as vigorous and outspoken in his 80's as any man could be. He campaigned all over the United States, speaking to students, the elderly, or any group that would hear him and listen to his urgings. He could not be happy with an 8-hour day—and told that to anyone who was lucky enough to

be able to do his scheduling in his hectic days.

Mr. Speaker, America has lost a great man. We can only hope that the many lives that his touched have been made better.

Mr. MOAKLEY. Mr. Speaker, I join with my colleagues today in mourning the death of a great leader, an ardent fighter for peace and freedom, and a dedicated ally to mankind's cherished goals of independence and self-respect. Indeed our memory of Ernest Gruening, esteemed former Senator from Alaska, recalls to mind his vital spirit and tireless attacks upon those governmental policies which defiled or diminished our American heritage.

Senator Gruening's life exemplifies the amazing ability of one man to completely surround and confront what he viewed as the problems of a great society. After graduating from Harvard Medical School, he decided that he would prefer dedicating his life to helping his fellow man in a nonmedical context. The former legislator consequently launched into a relatively short, though remarkable successful, newspaper career.

After a brief stint as reporter, rewrite man, and copy editor, Gruening became an editorial writer for the Boston Herald and soon, at the age of only 27, he advanced to the position of managing editor of the Boston Traveler. It was here that the Senator's fight for the protection of equal rights and the expression of individualism began. No longer would an article in his paper indicate the race of a man unless such was required by the nature of the article. No longer would his paper bend to the editorial whims of financially powerful advertisers. Rather Gruening's attitude was captured in the words of former President John F. Kennedy:

I will make my decisions in accordance with . . . whatever my conscience tells me to do in the national interest and without regard to outside pressures or dictates.

Gruening combined his dedication to freedom and equality and his love for journalism when he became managing editor of the Nation in 1920. Attacking U.S. military intervention in South and Central America, the future legislator sparked the Senate into conducting investigatory hearings on U.S. foreign policy. In recognition of his efforts on their behalf, including a book entitled "Mexico and Its Heritage"—the New York Herald Tribune 1928, Mexico in 1963 presented Gruening with their highest national award, the Order of the Aztec Eagle. To round out his journalistic career, finally, Gruening helped found and subsequently became editor of the Portland, Maine, Evening News where he successfully combated the powerful power companies in their attempts to export the State's water energy.

At this point FDR named Gruening to head the Division of Territories and Island Possessions for the Department of the Interior. Able to carry his people-oriented philosophies to a new level, the future Senator became immersed in the Alaskan struggle for statehood. In the process of intensive lobbying efforts on behalf of the Alaskan project, he suc-

ceeded in improving air and land transportation both within the distant territory and to the mainland. Due to his spirited devotion to the Alaskan people, Gruening soon became Governor of the region and was able to intensify his pressure on Congress on the statehood issue, while simultaneously streamlining the prospective State's tax system and improving its quality of education and public services.

After the acceptance of the Territory as the 49th State, the citizens of Alaska elected Gruening as one of their first two Senators. The legislator soon became one of the most logical, hard-working, and out-spoken Members ever to occupy a Senate seat, as indicated by his "no-vote" on the Gulf of Tonkin resolution—one of the two negative tallies recorded. In the first major speech made on the Senate floor concerning this country's policies in Southeast Asia, Gruening decried in March of 1964 that "the United States should no longer permit the dead hand of past mistakes to guide the course of our future actions in South Vietnam."

The Senator's desire for peace in Vietnam and in the rest of the world and his belief in the inalienable rights of the individual also served as a basis for his stands on civil rights, the women's role and birth control. He encouraged, for example, the passage of the Family Planning Service and the Population Research Acts while also helping to establish the Department of Population Affairs as an independent agency.

Gruening's desires for a peaceful, stable and secure world were so ardent that it was only fitting that he was nominated earlier this year for a Nobel Peace Prize. In a letter to the Nobel Awards Committee, five Senators stated in reference to the Asian war:

If any one person is responsible more than any other for ending the tragic role of the United States in Vietnam, it is this wise and valiant public citizen.

The panel of Senators concluded that: Gruening is a man of energy, of integrity, and of absolute dedication to justice and to the cause of peace.

In mourning Senator Gruening's death then, we express our sorrow over the loss of a rare and remarkable man . . . indeed, a renaissance man. I accompany my colleagues in giving my most sincere condolences to his charming and courageous wife Dorothy and his son, Huntington. Let us pray that we may honor his memory by continuing the honorable heritage of human kindness, personal vigor, and noble principles that he so uniquely embodied.

Mr. KASTENMEIER. Mr. Speaker, the people of this country have lost a champion. Ernest Gruening was one of the great activists of the 20th century. The recounts of his life that have been recently printed in the press tell an exciting story of a man inspired by what this Nation could and ought to be. His energies were unflagging, his insight was dynamic, and his dialog was persuasive.

From the time that I came to Congress in 1959 I have proudly listened to and watched what this gentleman from Alaska was saying and doing. His leadership was valuable to me as a freshman.

It is valuable to me today, and I'm sure his example will be valuable to us all in the future. He was an activist involved in almost every crucial issue of the last decades.

Senator Gruening's unwavering outrage at U.S. policy in Indochina has proven to be not only an historical insight, but a powerful precedent for careful scrutiny of Executive use of our military forces. Ernest Gruening was right about Indochina. He called it a "putrid mess," and fought against our involvement there until his last days. Just 3 months ago I had the honor of hearing the Senator's testimony before my subcommittee while we were considering the issue of amnesty. In a clear, articulate voice he detailed his view of why we must free those who "refused to participate in a monstrous and criminal folly." There was no stronger ally of those of us who have oppressed our continuing involvement in Southeast Asia than Ernest Gruening. His vote on the Tonkin Gulf resolution will stand out as a reasoned, thoughtful decision at an emotional and difficult moment. He saw through the deception. He stood by his conscience. I shall ever respect him for it.

Of course, the war was not the only area where the Senator provided leadership. He was a great voice for the cause of population control. He recognized early that the resources of the world are limited and fought to make the rest of us recognize the importance of limiting growth. As a man from a great wilderness State, he was an avid conservationist and could always be counted on to support sensible protection of the environment. Also, the struggles that people of color have met with in this country were his struggles. With a simple direct manner he time and time again raised the crucial issue of racial injustice. Early in his lifetime, which spanned nearly a dozen careers, he realized that the women of this Nation were not being allowed the opportunities and options to which they had a right. He was a staunch advocate of women's rights, recently testifying before a Senate committee on the question of abortion.

Age could not keep him quiet. I watched with great pleasure while he campaigned through the winter snow in my district on behalf of GEORGE McGOVERN. Young and old alike turned out to listen and ask questions of this man of peace. I understand that from his hospital bed he lectured his visitors and nurses about corruption in government and his faith in the youth of America.

We have lost a champion, and he will be missed.

Mr. BROOKS. Mr. Speaker, the Honorable Ernest H. Gruening first came to Congress in 1959. When he departed in 1969, he continued to serve our Nation as a legislative consultant.

Ernest Gruening was a kind and gracious man who enjoyed an illustrious career. He was dedicated to the Congress and the people he represented; and it was a distinct pleasure to have been associated with a man of his caliber.

He will be missed, not only by his family, but by the people of Alaska, and his friends here in Congress.

Mr. BIAGGI. Mr. Speaker, it is my

honor and privilege to join with my colleagues today in paying tribute to the "Father of Alaska" Ernest Gruening, who died last week at the age of 86.

Ernest Gruening served the people of Alaska for a period of over 30 years. He served first as their Governor and then as their Senator. More than any other person, he was responsible for the social and economic development of Alaska and the territory's eventual entry into the Union. In his various positions, he never lost touch with the needs of his constituency. At the same time, he became an internationally known statesman in the field of foreign affairs.

The death of Senator Gruening signals the end of an era for the people of Alaska. They are bidding farewell to their foremost statesman and we in the Congress bid farewell to one of our most distinguished former Members. His memory will be served in the coming years as his beloved Alaska continues to prosper and grow.

Mr. MATSUNAGA. Mr. Speaker, the people of Hawaii lost a beloved friend last week when former Senator Ernest Gruening passed away, for the "Father of Alaska Statehood" was also a stanch advocate of statehood for Hawaii. One of the first bills he sponsored, upon being elected to the Senate, was S. 50, in the 86th Congress, the historic measure providing for Hawaii's admission to the Union.

Senator Gruening's death brought to a close a remarkable life. A man singularly dedicated to principles, he will long be remembered for his devotion to peace and human welfare. His consistent objection to America's growing involvement in Vietnam won him a reputation as the "Gadfly of the Senate" in the early 1960's and was, in large measure, responsible for his political defeat at the polls in 1968. Never personally defeated, however, the former author and journalist devoted his considerable talents as a private citizen toward efforts to end America's longest and most divisive war. A longtime champion of human rights, he also became a leader in efforts to control the world population explosion and prevent massive starvation and suffering. As a member of Members of Congress for Peace Through Law—MCPL—Senator Gruening also endorsed and lobbied for an extended nuclear test ban treaty and eventual nuclear disarmament. Our greatest tribute to his memory would be to rededicate ourselves to the achievement of these humanitarian goals.

In behalf of all the people of Hawaii, and for myself personally, I extend to Mrs. Gruening, her family, and the people of Alaska, heartfelt condolences on the passing of a great American—Senator Ernest Gruening.

Mr. RANGEL. Mr. Speaker, although he spent only a decade as Alaska's Senator, Ernest H. Gruening served the American public throughout his life. As a medical student, a journalist, director of the Division of Territories and Island Possessions, Alaskan Governor, and unofficial and official Senator, Mr. Gruening developed and committed himself to his own personal idea of what this country could and should become.

At times his idea of service, and of the

public interest, conflicted with that of his colleagues and his constituents, but opposition never weakened Mr. Gruening's determination to follow his own notion of right. His convictions about American involvement in the Indochina war survived massive opposition and eventually emerged triumphant. He stood with former Senator Wayne Morse, drowned by the resounding Ayes of the remainder of the Senate, to vote against the Gulf of Tonkin Resolution. He continued to oppose our involvement in this disastrous war, remaining loyal to his beliefs, in and out of politics. He spoke out determinedly to prod the public conscience.

Like his adopted State of Alaska, former Senator Gruening's spirit appeared to be forged from the wilderness, for his fire, enthusiasm, and deep faith in the efficacy of public service were reminiscent of an earlier time, the eager and energetic childhood of this Nation, which possessed a wisdom that sophistication, cynicism, and decadence have all but eliminated. But Mr. Gruening never wasted time in trying to rewrite the past or to return to some supposed golden age. He lived for the present in the light of his vision of the days to come, infused with the spirit of this Nation's birth, history, and legacy.

Former Senator Gruening still lives among us, in these Halls. I did not have the honor of being his colleague during his 10-year career as Senator, but his indomitable spirit and fiery commitment to his State and his beliefs have left their mark on all of us. For Ernest Gruening, public service was not merely work, it was life. After he left the Senate, he continued to serve his country wholeheartedly, devotedly, and well. Our memory of him, his spirit, his fire and enthusiasm and faith, should be as unwavering as was Mr. Gruening's pursuit of right and truth. He well deserves our tribute and our belated thanks, for he was an inspired and inspiring man.

Mr. CARNEY of Ohio. Mr. Speaker, it is my sad mission of the moment to call to the attention of the House the demise of a former Member of the Senate, the Honorable Ernest Henry Gruening of Alaska.

Ernest Gruening was a man of great heart and charming disposition. He was also a man of many talents, high intellectual attainments, and strong conscience. He was incapable of standing aside, unconcerned, when his fellowman was suffering and in need of assistance. He also was a man of considerable insight, who could instantly perceive the answer to certain problems that were great enough to baffle a majority of his colleagues.

The greatest of these problems, of course, was the unfortunate involvement of American military personnel in the war in Vietnam. As one of the earliest critics of this disastrous undertaking, Ernest Gruening sacrificed his career for the sake of a principle. Others, speaking to the same purpose at a later date, were to reap the glory of so doing. But Ernest Gruening spoke too soon, politically speaking, and was lamentably retired from the Senate.

Born in New York City in 1887, the

son of a doctor, he was graduated from Harvard College at the age of 20 and, with his father's blessings, sought and obtained a degree in medicine from Harvard Medical School in 1912. A man of many interests, he was to abandon the medical profession overnight, in preference for journalism, working with several outstanding periodicals, including a stint as a reporter for the Boston American before serving as an editor for the Boston Herald, the Boston Evening Traveler, the New York Tribune, the New York Post, and the Nation magazine. He served during World War I in the U.S. Field Artillery Corps.

As editor of the New York Post in 1932, Mr. Gruening was a prominent supporter of the Democratic presidential nominee, Franklin D. Roosevelt, and upon Roosevelt's accession to the Presidency, Gruening rose quickly to national prominence. He was appointed by President Roosevelt Adviser to the U.S. delegation to the Seventh Inter-American Conference, at Montevideo, in 1933. The following year he became Director of the Division of Territories and Island Possessions of the Department of the Interior. He was Administrator of the Puerto Rico Reconstruction Administration from 1935 to 1937 and a member of the Alaska International Highway Commission from 1938 to 1942.

At the behest of President Roosevelt, Mr. Gruening took up the reins as Governor of Alaska Territory in 1939, and was twice reappointed, serving until 1953. As Governor, he established a record as a vigorous reformer, waging constant war with the Seattle fishing interests, the gold industry, and even Congress, claiming Alaska's rights to her own natural resources—long regarded as the property of aggressive businessmen from elsewhere. He urged Alaskans to fight for their rights in this regard by establishing a Territorial property tax and a corporate net income tax law.

As the major Democrat in Alaska Territory, Mr. Gruening served as delegate to three Democratic National Conventions, and was a U.S. Senator-elect on a provisional basis, pending Alaskan statehood was itself declared to be the elected Senator in 1958 and when Alaska joined the Union in 1959, he took his seat in the Senate. The achievement of statehood was itself declared to be the work of Mr. Gruening who, as Governor, had waged a mighty fight for Alaska's recognition by the people, the press, and the political leaders of the country.

As one of his first actions as a U.S. Senator, in keeping with his fight for Alaskan statehood, Ernest Gruening came out for the admission of Hawaii as our 50th State, and led the battle for that worthwhile cause.

In two terms in the Senate, he compiled a strong liberal and civil rights voting record, and was a leader in pressing for expanded Federal research into birth control methods—an interest he was to pursue following his departure from the Congress.

In all his endeavors, Senator Gruening held popular favor until—against the urging of all his political advisers—he went against the Vietnam war policy,

which action was widely regarded as leading to his defeat in the Democratic primary in 1968.

I am inclined to recall, in this regard, the words of the author Abram Joseph Ryan, in the foreword to his work, "A Land Without Ruins," in which he observed that:

Crowns of roses fade—crowns of thorns endure. . . . the triumphs of might are transient—they pass and are forgotten—the sufferings of right are graven deep on the chronicles of nations.

It will someday be recalled, for sure, that Ernest Henry Gruening, U.S. Senator from Alaska, 1959–69, endured in his lifetime the sufferings of right, at the expense of his distinguished political career.

He was, beyond question, a great U.S. Senator. We have missed him since the day of his departure from the Congress. We have good cause to lament his demise.

Mr. BLATNIK. Mr. Speaker, I join my colleagues in paying tribute to our honored colleague, the late Senator Ernest Gruening, of Alaska, newspaper reporter and editor, magazine editor, foreign correspondent, author, historian, publicist, diplomat, territorial governor and lobbyist before entering the Senate in 1959; the father of Alaskan statehood; and lone prophet, unheeded, warning against what was to become America's greatest national tragedy since the Civil War.

A generation of young people will remember him as a lone voice of protest against our earliest involvement in Vietnam; and the only Senator, with Wayne Morse, of Oregon, to vote against the Gulf of Tonkin resolution.

But for those of us whose memories stretch back beyond this tragic war, Senator Gruening stands as a giant in his century; a man of untold depth and breadth of compassion, determination, and crusading spirit. Senator Gruening was a man of interests, concerns, and vocations as vast as the State he represented in Congress. But throughout that career, one theme is constant: an articulate rage against injustice and exploitation, especially when performed by this country, here or anywhere in the world.

As journalist and editor he fought for freedom of the press, in the sure conviction that only a free press could champion the cause of social justice. From 1913 on, when he joined the Boston Herald as reporter, rewrite man and copy editor, and throughout his journalistic career which took him to editorship of the Nation, Senator Gruening led the fight for equal rights for minorities. The Boston Traveler, of which he became managing editor at 27, was the first paper in this country to ban identification by race unless it played a vital part in the story.

He became managing editor of the Nation in 1920, from which position he launched his lifelong crusade against U.S. military involvement in, and economic exploitation of, other countries.

His denunciation of our involvement in Latin American countries, a reporting assignment in Mexico and the book that grew out of it, led President Roosevelt to name Senator Gruening adviser to the

U.S. delegation at the Seventh Inter-American Conference in Montevideo. This conference produced FDR's "Good Neighbor" policy, one long advocated and finally formulated by Senator Gruening.

Roosevelt called him back to public service, and established his political career, when he appointed Senator Gruening Director of the new Division of Territories and Island Possessions, with jurisdiction over Hawaii, Puerto Rico, the Virgin Islands and Alaska.

Senator Gruening's first cause in this post was the grinding poverty in Puerto Rico; but a visit to Alaska turned his attention, permanently, to this most northern of the U.S. possessions.

Named Governor of Alaska in 1939, Senator Gruening immediately launched and won improved schools and public services for native Alaskans, at the expense of the absentee owners who had been stripping the territory of its natural riches.

His 14-year tenure as Territorial Governor came to culmination with his personal efforts in behalf of Alaskan statehood—a one-man educational and lobbying crusade to make Alaska the 49th State. That battle won, Gruening, elected to the Senate, launched an equally vigorous campaign to admit Hawaii to the Union.

His diverse streams of involvement in the public affairs of this Nation reached confluence in his early opposition to our involvement in Vietnam where he, virtually alone, served as conscience and prophet to a Nation bereft of both.

Senator Gruening received the prophet's dues—he and Morse stood alone in voting against the Gulf of Tonkin Resolution; and he was defeated in his next try for Democratic nomination.

But the Nation was not long to confirm his prescience; and the growing protests against the war affirmed his vision of tragedy for this country.

Senator Gruening has left a personal mark on this century: on the thought patterns of his many readers, on the course of American diplomacy, and on our military involvement—a mark that cannot be erased but only etched deeper as we struggle still to extricate ourselves from the quagmire of Southeast Asia, and attempt to restore morality and free government to a Nation soon to celebrate its 200th anniversary.

Mr. Speaker, as the Nation mourns the passing of Senator Ernest Gruening, and recognizes the scope of his contributions, we also mourn privately for the family he leaves behind, and feel with them the sharp and personal loss of a loved one. His wife Dorothy, his son Huntington Sanders, are assured whatever consolation there is in knowing that friends and colleagues share with them the shock, the loss, and the grief of the passing of a great man, and devoted husband and father.

Thank you.

Mr. DRINAN. Mr. Speaker, I was deeply saddened to hear of the death of Ernest Gruening. I was honored to be able to consider him my friend. Through his long years of public service, he stood as an inspiration in fighting for many

causes to which I also am firmly committed.

When the history of the war in Vietnam is written, one moment of light will be recorded on those darkened pages. In the late summer of 1964, the Congress was asked to endorse the Gulf of Tonkin Resolution which became, as a substitute for a declaration of war, the authorization for our continued military involvement in Southeast Asia.

Senator Gruening was one of only two Senators who voted against that resolution. He, almost alone among the Members of the Senate, voiced the opposition of the American people to the terrible conflict he saw developing in Vietnam. In this, as on many other issues, history has proved him a prophet—his decade-old words a prophecy.

Ernest Gruening fought relentlessly for Alaskan statehood. His efforts on behalf of that territory earned him the designation as "the father of Alaskan statehood." As territorial Governor from 1939 to 1953, he continually sought to advance the interests of Alaska and its people. Prior to the territory's admission into the Union, Ernest Gruening was elected its official Representative in 1956, and when his dream of statehood was fulfilled, he became one of Alaska's first Senators. In the Senate, he continued to serve the new State and his new constituency, the people of the United States.

It is fitting that we pay homage to Senator Gruening on July 2. Ten years ago today President Johnson signed into law the Civil Rights Act of 1964, the first omnibus civil rights legislation since the Civil War. The Senator from Alaska was one of the leaders in that great struggle to achieve equality for all persons without regard to race, color, sex, or national origin. Long before it was popular, Senator Gruening vigorously advocated the removal of all barriers which impede the advancement of human rights. While the battle for human dignity is not yet won, the clarion call of Senator Gruening surely is the standard by which our present efforts must be measured.

Ernest Gruening will be remembered for his clear moral judgments and for his long labor in behalf of the people of Alaska and the Nation. He will be remembered for his courageous, prophetic, and often unpopular stands and for his reasoned eloquence in support of them. Future generations will recall his ceaseless struggle against the armies of ignorance, bigotry, and oppression.

Senator Gruening was one of the great moral leaders of this Nation at a time when we were experiencing the difficult years of the Vietnam war. Today, as this Nation confronts, perhaps, an even greater crisis that tests our national strength, it is well to remember Ernest Gruening as a good and decent man who embodied the ideals of democratic government which we are now asked to reaffirm. His uncompromising adherence to those first principles will perhaps serve now as a beacon for all of us.

I share with his congressional colleagues, friends, and fellow citizens the grief of his wife Dorothy, and his son, Huntington. Our sympathy goes out to

them. The memory of Ernest Gruening will be held in great reverence by each of us who knew him, and by those who read of his devoted service to the Republic.

Mr. GONZALEZ. Mr. Speaker, the first time I met Senator Ernest H. Gruening was in November 1961, shortly after I had been elected to Congress in a special election in San Antonio.

I went to Anchorage at the request of Alaskan Democrats. My plane was late in arriving because of a terrific snow-storm, but Senator Gruening was there waiting. It was a wonderful experience being in Alaska and campaigning on behalf of the then-Democratic ticket, but really the greatest experience of that trip was meeting the man Ernest Gruening, who embodied the highest qualities of statesmanship and dedication to public service.

From that time on I had several memorable visits with Senator Gruening. I recall quite vividly an all night ride from Mazatlan to La Paz, Mexico, when we both were delegates to the U.S.-Mexico Interparliamentary Conference. We talked late into the night and I greatly benefited from the wealth of his knowledge and wisdom. He was well known among the people of Mexico because he had first gone to that country as a journalist in 1923.

A major subject of journalist Gruening's magazine articles in the 1920's was Latin America. While he traveled throughout Latin America extensively in the 1920's, it was Mexico among these countries that he knew best. He expressed his views on that country's history and condition in "Mexico and Its Heritage," Century, 1928. Arthur Ruhl in the New York Herald Tribune's Books—September 23, 1928—called the work "the most vigorous, useful, and comprehensive picture yet made of the complex present-day conditions below the Rio Grande."

This portion of his life, although very eventful and exciting, is only a small portion of the long vigorous life which he led.

Originally intent on a medical career he decided to stay in journalism upon completion of his M.D. degree after having worked as a reporter for the Boston American while still in school.

The full story of his varied career would fill volumes. While his journalism career included reporting for big city dailies and editorships of such periodicals as the Nation magazine, it is his career in public service which is the greatest legacy to his fellow countrymen as well as to his fellow Alaskans.

As the Federal Emergency Relief Administrator in 1936, Mr. Gruening first visited Alaska for the first time and it has been reported that the beauty of that American territory gave him what he described as a "profound thrill." In 1939 he was appointed territorial Governor of Alaska and from then on it was his home. From the beginning of his term as Governor he pushed for statehood and 3 years after he left the post the voters of Alaska elected him "Senator" in a gambit to prod the Congress for statehood. As "Senator" he came to Washington to lobby for statehood which

resulted in Alaska becoming the 49th State in 1958.

In January 1959 he was, however, truly a U.S. Senator and he continued to distinguish himself as a man of great intelligence, great vision, great gentleness and courage.

It was a great loss to our Nation when he left the Senate in 1968, but now his passing is an irreplaceable loss. He was truly a man of the people, and while the people may see great men come and go there will never be another one quite so uniquely like Senator Ernest Gruening.

GENERAL LEAVE

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the subject of my special order today honoring the late Senator from Alaska, Senator Ernest Gruening.

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

There was no objection.

GOVERNMENT-INDUSTRY ROLES IN ENERGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DON H. CLAUSEN), is recognized for 15 minutes.

Mr. DON H. CLAUSEN. Mr. Speaker, on June 20, 1974, Dr. John Sawhill, Administrator of the Federal Energy Administration, gave an address to the energy R. & D. management briefing and conference entitled "Government-Industry Roles in Energy R. & D." I believe that my colleagues will find Dr. Sawhill's remarks highly interesting, and I commend his statement to them for their reading.

Dr. Sawhill's remarks follow:

GOVERNMENT-INDUSTRY ROLES IN ENERGY

R. & D.

(Remarks by the Honorable John C. Sawhill)

Thanks for the invitation to come and speak with you today.

It's a real pleasure to be able to discuss the conference topic, which implies, quite rightly, that R. & D. is a crucial management function. As an economist and former business executive, I firmly believe that national problems, as well as business ones, must receive the closest management attention if we're to solve them effectively. That's certainly true with energy.

As we manage solutions to the energy problem, we'll have to confront some of the most fundamental questions about government-industry relationships—questions that must be answered very shortly. We won't be able to answer many of them today, but I would like to discuss them with you.

To begin with, the energy problem is so unique in our history, that we have no real precedents to follow. We must take a fresh look at this system, and develop imaginative futures. And as we look at this system, we find few areas more important than the government-industry relationship in energy research and development.

In the past, heavy federal spending for R & D has occurred during wartime or when the government was the final consumer, as with the space program or the Manhattan Project. Today, energy is essentially a pri-

vately owned system that responds to a myriad of forces, regulatory, economic and otherwise. Today's situation obviously calls for a new mix of public and private R & D funding. Unfortunately, much of the rhetoric we hear today fits better in the past than the present.

You'll find that this administration has adopted the principle that R & D is a means, not an end in itself. Our goal is an overall one—an energy base that provides for economic growth, environmental quality, and safety from international oil politics. It's not a massive, glamorous government R & D complex to dazzle the national imagination.

The energy problem is a complex one involving such diverse factors as prices, geography, and lifestyles. Because of that, we need a broad approach that includes a creative and useful role for R & D. And in developing that role, we must find the balance of federal and private R & D that helps us toward our national goals, yet avoids an over-reliance on the federal government that could stifle innovation.

Looking from that perspective, it's quite logical that we should rely on industry for the primary responsibility for energy innovations.

Whether it's a new oil drilling technique or more efficient electrical generators, it is industry which should develop and implement them. Indeed, most industries—especially the best managed ones—need little encouragement to innovate, when it makes business sense.

Private industry spent about \$1 billion this fiscal year for energy R & D, about the same as federal spending, according to our estimates. Most of the private R & D was carried out by individual firms. And, as you would expect, almost all goes for applied R & D to obtain an edge over competitors.

I should sound two disturbing notes here. First, it appears that the share of private R & D spending for basic energy research is steadily declining. It barely accounts for 5 percent now. And second, increases in federal energy R & D spending—which will double to \$2 billion next fiscal year—are not being matched by increases in the private sector.

This is unfortunate, since one of the great tasks ahead for American business is to revive the innovative entrepreneurship of the last century that led to profound technological advances that our industrial base today depends on. During that period of dramatic inventions we saw the advent of such basic devices as the internal combustion engine, the vacuum tube, the dynamo, and alternating electrical current.

It was a period that historian Howard Mumford Jones could call very accurately, "The Age of Energy."

In many respects, the time between new scientific knowledge and its technological results is taking longer than before. Consider, for example, the long time between the first working computer thirty years ago, and the widespread commercial use of computers—or, the beginning of serious nuclear reactor work during World War II, and the relatively minor role today of the nuclear industry in our overall energy picture.

From my personal observations, I detect a growing number of managers who are overawed by technology, and, consequently, see it as something to be handled outside their business. They seem more concerned with a constant, moderate rate of return that avoids risk—exactly the kind of approach that discourages innovation. As a result, they seek imitation, and not innovation.

It's my strong hope that—facing the energy problem—industry will adopt R & D as a central management task, with a truly creative and entrepreneurial outlook. The task of the businessman in leading the innovative

organization, Peter Drucker has said, is to "manage what is already known and create the new and unknown."

Naturally, there are many energy R & D tasks which will require resources beyond the capacity of individual firms. To cope with that, there has been a healthy upswing in industry-wide cooperative research.

The Electrical Power Research Institute is now getting funds from electric utilities that totalled \$100 million in its first year. It will carry out research programs to attack some of the common problems facing this highly fragmented industry.

The American Gas Association, which has pioneered in industry-wide research, is planning to greatly increase its research role.

Ideally, private industry—on its own—should be able to cast off the inefficient and grasp the productive technologies, but unfortunately, we don't live in a world that operates strictly according to classical economies. The market is the central determinant of our energy system, but it's by no means the only one.

That fact of life—and our vital need for independence from imported oil—calls for an active government role in energy R & D. Basically, the government's role for R & D consists of two parts: developing indirect measures that encourage private innovation, and providing direct R & D support where needed.

Generally, we prefer indirect measures. The private sector is much closer to the consumer, and its own innovations would tend to reach wide commercial application more quickly than innovations developed in a laboratory far from the marketplace.

One indirect approach could be outright regulation—an approach taken to improve environmental quality. Recent proposals for mandatory energy efficiency standards would fit in here.

Compelling an industry to innovate in a certain direction seems to be effective where the technology exists to meet the regulations, but just isn't being used. It seems less effective where new technology must be developed. We sometimes find industries that expand as much effort to show that the regulations don't work as they do in improving the technology.

Another approach to encourage innovation is through broad incentives in the form of tax breaks, tariffs, more generous patent arrangements, or relaxed antitrust regulations. All of these have the advantage of offering rewards for innovation without compulsion, but they also have disadvantages. Relaxation of antitrust regulations could pool an industry's R & D resources, but it also could reduce competition and ultimately, stifle innovation.

To help find the best incentives, we are seeking answers from industry leaders.

Since synthetic fuels will play such an important role in our energy future, we feel that it's especially important to talk with industry about developing a viable synthetic fuels industry. This project is much more than the development of a new technology.

In cooperation with the National Science Foundation, we're conducting in-depth interviews about incentives with a selected group of business leaders whose participation can launch a successful synthetics industry.

Some of the incentive options we're posing are:

—deregulation of oil and gas prices,
—direct government loans or loan guarantees,

—accelerated depreciation of capital investments,

—and more direct government measures, such as joint ventures and R & D grants.

Beyond this, we will hold a series of public hearings in each of the ten federal regions between now and November, when we send

the Project Independence Blueprint to the President.

These hearings are without parallel because, we are not only opening up energy decision-making to the public, we are doing this *before*, and not *after* the decisions are made.

We hope to draw opinions from all segments of our society through this process. And, we're certainly looking forward to your participation and input.

Of all the areas we will be exploring, Energy R & D is certainly one of the most vital. In the past we have generally looked upon scientific and engineering breakthroughs as a kind of "technological bonus."

Today—at least in energy—that has changed. We simply cannot afford to allow our dependence on our finite energy resources to grow without an intense effort to expand our economically recoverable—and eventually—replenishable and nearly inexhaustible sources.

Because of the time frame involved in literally developing a new generation of energy technology, we cannot depend upon the free market alone to simply "produce them" without at least some support from government. In some cases we must take government action. The President has already announced an \$11 billion, five year federal R & D program, and he has personally told me that more will be available if it can be usefully spent.

Direct government activity may be needed in situations where private industry is reluctant to innovate because it cannot profit directly. For example, pollution control R & D leads to a social benefit that won't show up in the income statement of an industry. In other situations—and the development of fusion technology and the breeder reactor are probably the best examples here—industrial firms may find that energy R & D projects are so expensive and long-range that even an industry-wide effort is not feasible.

We may also find that the public good calls for support of R & D projects that aren't immediately marketable. The development of a synthetic fuels industry may not appeal to a banker—because of the volatility of international oil prices—but it would help soften the blow of another embargo, if one should occur.

In these situations the government can—and should—take a direct role.

One approach has been direct government R & D in laboratories run by such agencies as the Bureau of Mines or the Atomic Energy Commission. These laboratories have distinguished themselves in basic research, research for regulatory purposes, and in developing—often in cooperation with industry—difficult and long-range technologies.

Another approach to government R & D—an approach that receives the most dollars—is through contracts with universities, private research organizations, or industry. Industrial contractors often bring R & D projects closer to commercial application, since they may have a market for the results.

Joint government-industry projects have been increasingly effective in recent years because they involve the sharing of risks and costs. Because the firms commit resources to a R & D joint venture, the government has greater assurance that the project has commercial importance. This method has most commonly been used in new pilot or demonstration plants.

Another mechanism we are considering for energy R & D uses the government's purchasing power as the incentive for innovation. Especially as we are facing the uncertainties of the synthetic fuels industries, this could spur a great deal of result-oriented R & D. The government would simply create a market for an energy innovation or its

product, such as synthetic fuels, then let industry produce it any way it could. It is already being used to encourage energy efficiency in delivery vehicles, buildings, and appliances purchased by the government.

The relationships I have discussed here can also be applied internationally. We recognize the political and substantive benefits of governmental agreements to cooperate in energy R & D and we are now discussing them at a number of forums. However, we are stressing at these discussions that tangible pay-offs can often best result from industry-to-industry partnerships. We hope that governmental agreements can be most useful as a catalyst for specific cooperative projects involving both government and industry.

I've outlined these indirect and direct government measures, not to limit the nature of government-industry roles, but instead to describe what options are open. We have not yet identified the precise mix, and may never fix it rigidly, since flexibility is important to our strategies.

As you have already heard today, we sent to Congress a bill to establish the Energy Research and Development Administration as the lead agency for R & D. It will be responsible for the planning, coordination, and management of most government energy R & D projects, and work with FEO in the development of R & D priorities.

That won't be an easy task. There are a myriad of opportunities for the government to encourage R & D consistent with our national goals. But they involve creating new balances and relationships.

We must find the appropriate balance between long-term and short-term projects. We need to support R & D projects that help meet our energy goals for the 1980's by speeding new supplies to consumers and gaining new efficiencies that reduce demand. But this can't be at the expense of long-term projects that must be pursued. Energy technology is very slow-moving, and we need to carry on R & D efforts now that anticipate the problems of the 21st century.

We must find a balance between expediting a few urgent programs and working on a variety of technologies that provide a flexible choice of options. Obviously, we must emphasize projects with a more urgent payoff. But excessive dependence on a few projects would invite serious problems if one or several failed to achieve commercial feasibility.

We must find the balance between government and private involvement in R & D projects. On one hand, we must depend, wherever feasible, on the classical competitive market to reach the complex of national goals. And on the other, where the market is ineffective, we must establish projects or incentives to seek the actions we need.

And finally, we must find a balance that puts today's problems in perspective. Yes, energy independence is a crucial priority for this society—but it's not the only one.

Finding these balances will be a most challenging task. It will come about after a healthy public debate and interplay that has been a source of dynamism and technological innovation for this society. We will replay countless times the perennial dialogues between the budget department and the R & D department, between the government scientist and the industrial engineer, between the politician and the business executive.

The outcome of these dialogues—I am confident—will be a creative relationship between industry and government, a mutual reliance that promotes innovation and efficiency.

We're relying very heavily on the energy industries to develop their own solutions to our national needs. R & D, as we all know,

cannot be divorced from the requirements for business success, and private industry is still best equipped for this. But government can—and must—ensure that the public good is served, and in doing that, will help correct the distortions in our energy system that have brought us to this point today.

This is a fascinating and challenging problem that we face. And, as I look around this room it's hard to be anything but eager to get on with the task. We've got the government leadership and private resources to solve our energy problem.

I am confident of the outcome, and I look forward to working with you.

Thank you.

DISALLOW TAX ENERGY INDUSTRY BREAKS: ALLOW MIDDLE-INCOME TAX BREAKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. RUPPE) is recognized for 5 minutes.

Mr. RUPPE. Mr. Speaker, during the past few years we have heard so many, many times the phrases, "balancing our tax burden," "equitable sharing of the financial responsibilities attendant to democracy," and, of course, the old standby, "reordering our national priorities." These phrases have become our old friends—things we can always rely on. They have been repeated time and time again in this Chamber and in speeches throughout the country. We have talked long enough. We must start to act. Some have suggested that we can only make our tax system more equitable by an almost complete redrafting of the Internal Revenue Code. I, for one, do not share that view—by and large I feel that the code is a masterful piece of legislative insight.

But even if I thought a complete redrafting was needed, I have been here long enough to know how incredibly long it would take us to accomplish such a feat. But I am sure that we have all received letters from our constituents demanding, and I think rightly so, some redrafting now that will ease the tax burden of those who have truly felt the pinch of inflation. They also demand, though, that we act in a responsible fashion so as to insure that the U.S. Treasury will not be raided of millions of dollars which would almost surely give rise to an even higher rate of inflation.

On April 10 of this year, I introduced H.R. 14183 for the Congress consideration. This bill would disallow the present U.S. tax credit given for income taxes paid to foreign countries by the oil and gas industries. The Ways and Means Committee has recommended a limitation on this credit at a rate of 52.8 percent, as well as other measures that would remove from the code what many consider to be unnecessary tax breaks given to those industries. I feel, at a minimum, we should disallow this credit, and I applaud the committee's action in this respect.

Section 901 of the Internal Revenue Code, providing a credit for foreign income taxes, was intended to prevent double taxation which can be a severe economic burden. However, it appears that the oil and gas industries have been able

to avoid congressional intent. Also, I, for one, am not so sure that these tax advantages are presently within our national interest.

In many of the oil and gas producing nations the sovereign holds the exclusive rights to the minerals and natural resources. As a result, either a royalty or a tax, or both, may be imposed on U.S. corporations exploring and mining for resources abroad. The income tax may be credited against taxes resulting from other foreign income, but the royalties can only be used as a tax deduction—as an ordinary expense of doing business.

While this all looks good on paper, the terms "income taxes" and "royalties" have been construed in ways not originally contemplated. It appears that much of the so-called income taxes collected by Mid-Eastern, North African, and South American countries are actually royalties. They have not been computed nor levied nor are they in any way dependent on the amount of profits or losses realized by the companies, which I have always been under the impression is the general method for computation of income taxes. Rather, the "tax" is computed as a dollar figure per barrel, and this seems to me to be a royalty.

Many of the oil producing countries have contributed to the problem by establishing two separate tax rates, one for general purposes and another for the oil companies. A study issued by the Joint Committee on Internal Revenue Taxation on February 21, 1974, demonstrates that excess credits are taken because of a higher rate of taxation on oil companies. In Saudi Arabia the maximum general income tax rate is 45 percent but the special rate for the oil companies is 55 percent. In Venezuela, the maximum general tax is 50 percent but for the oil companies it is 60 percent. In Nigeria it is 45 percent and 55 percent respectively. And in Libya, while the general rate is 25 percent the special rate for the oil industry is 55 percent. While there is nothing we can do to stop this differentiated tax treatment, it compounds the problems and allows even greater credits to be taken.

Now, what does this tax break mean in terms of dollars to the U.S. Treasury? According to the Treasury Department the oil companies reduced their 1971 tax bill from \$3.2 billion to \$788 million by taking this dollar-for-dollar credit for so-called foreign income taxes. In 1972, the oil companies took over \$2.9 billion in credits. While the figures for 1973 are not yet available, it is expected that they will be just as high and in all likelihood higher. It has been estimated by the Department of the Treasury that the repeal of this credit could result in a savings of about \$2 billion.

My purpose in introducing H.R. 14183 was not just to deprive the oil companies of a tax break they have enjoyed since the 1950's. I feel that this code section presently acts as a disservice to U.S. energy needs. I cannot help but believe that this has served as an incentive for the oil and gas companies to concentrate their exploration and drilling activities overseas and therefore overlook U.S.

natural resources. The President has announced his hope that this country will have the capability to be self-sufficient for its energy needs by 1980. While I personally feel this deadline is practically not attainable, I do laud the idea of being as independent of others' energy resources as possible. It is contradictory then to provide tax breaks for drilling elsewhere. If the oil embargo did nothing else, it should have taught us that we must develop our own resources and be prepared to rely on them if need be. This is another case of the right hand not coordinating its activity with the left hand.

So, I am heartened to see that the Ways and Means Committee has grappled with this difficult issue and taken action to disallow tax breaks enjoyed by the energy industry. I sincerely hope the Congress is able to debate and vote on these proposals in the very near future. But I feel we need to take yet another step. I propose another tax break, but one that is aimed at another group—the average, Middle income taxpayer who is feeling the severe effects of inflation. It may seem contradictory to cease providing one tax break and then create another, but it is time that these people get a break, and the \$13.2 billion which it is estimated will be brought in by the Ways and Means Committee's proposals during the years 1974 through 1979 provides us with the perfect opportunity to act.

In this light, I am today introducing legislation to amend the Internal Revenue Code to increase the standard deduction for personal income taxes, which most people take, from 15 percent to 20 percent and to increase the maximum allowable amount of such deduction from \$2,000 to \$2,500. This could cost the Treasury \$2 billion but is would be offset by the income derived from the modified taxation of the oil and gas industries. This is a logical measure to attempt to ease the pressure imposed by the constantly increasing prices of food, housing, and, of course, fuel, and doing so without contributing to the inflation brought on by increased government spending.

I would urge the Congress consideration of these proposals. I feel they demonstrate a concerted effort to balance the tax burden. The oil companies have been earning record profits, but at the same time many people are having trouble paying for basic necessities. I feel we now have the opportunity to act to increase our revenues, increase our oil and gas production, and at the same time lessen the tax burden of the middle income families, something long overdue. I hope we do not fail to take advantage of it.

UNITED STATES CRITICIZES TURKISH POPPY DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 5 minutes.

Mr. GILMAN. Mr. Speaker, today's statement by the U.S. State Department criticizing the Turkish decision to resume opium poppy growing is a welcome one.

As our Government points out, the ac-

tion by Turkey is a direct violation of the 4-year agreement under which Turkey agreed to refrain from growing poppies in return for a \$35.7-million U.S. subsidy.

The Turks must now stand before the world as having broken their solemn word by permitting the flow of drugs to resume between their land and ours.

Thousands of American youth will suffer as a result of this decision. The time has come for quick and decisive action. If this action is not rescinded, I call on my colleagues to act quickly in approving House Concurrent Resolution 507, the cutoff of financial aid to the Government of Turkey.

Mr. Speaker, I ask that the text of the State Department's statement be inserted in full in the RECORD:

STATE DEPARTMENT RELEASE: RESUMPTION OF TURKISH POPPY GROWING

We deeply regret the decision of the Turkish Government to resume opium poppy cultivation. This matter has been the subject of intensive discussion between our two governments for some time and we had made clear throughout our concern regarding such a decision to resume cultivation.

We are seeking additional detail both as to the scope and the nature of the surveillance which is contemplated. Until such time as these have been examined by the appropriate agencies of the U.S. Government, we will withhold further comment.

PROPOSED AMENDMENTS TO THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HOSMER) is recognized for 10 minutes.

Mr. HOSMER. Mr. Speaker, in accordance with rule XXIII, clause 6, of the Rules of the House of Representatives I am causing to be printed in the CONGRESSIONAL RECORD a series of amendments which I plan to offer to H.R. 11500, the Surface Mining Control and Reclamation Act of 1974. I do so in the event that the collective wisdom of this body is subjected to an environmental metamorphosis which would prevent this House from adopting the substitute bill, H.R. 12898, which I shall offer as an amendment in the nature of a substitute to H.R. 11500. I shall offer this series of amendments to H.R. 11500 for a number of reasons, the foremost of which is an attempt to bring reason out of chaos in this legislation. It was reported in a recent article in the Wall Street Journal that "some of its principal sponsors recognize imperfections in it and appear willing to compromise." The series of amendments which I shall offer will hopefully elucidate the areas and willingness of the principal sponsors of H.R. 11500 to display their concepts of compromising in good faith which is essential to the legislative process and the enactment of laws for the general welfare of all the American people and this Nation. Unfortunately it was the absence of this kind of approach and attitude toward the markup of this legislation in committee that brings to this House H.R. 11500, a bill which is saddled with misunderstanding, misinterpretation, and clouded in controversy.

H.R. 12898, the bill which I shall offer as an amendment to H.R. 11500 in the nature of a substitute, is a bill which provides for the strict regulation of surface coal mining, imposes stringent environmental and reclamation requirements, but does not impose unneeded and unreasonable restrictions on the surface mining of coal. H.R. 12898 does not discriminate against energy values in favor of a myopic focus on environmental values. H.R. 12898 properly respects both of these values and fairly and squarely reinforces both the energy ethic and the environmental ethic in the United States.

H.R. 12898 is not a perfect bill, but it is written clearly and in a manner which permits amendments to it to be adopted without a series of internal provisions, referrals, incorporation by reference, striking out and inserting, and all the other juggling techniques or manipulations that it will take to properly amend H.R. 11500.

On the other hand, H.R. 12898 must be a good bill. It seems to make everybody concerned with its provisions a little unhappy, because they did not get everything they wanted. The administration does not like parts of it, because it does not give them some of the new authority they wanted. The environmentalists do not like it, because it does not go into the detail and focus upon environmental values as the paramount national interest. The coal industry does not like H.R. 12898, because it provides for strict regulation of surface coal mining, imposes stringent environmental and reclamation requirements, and in effect, places the industry in a straightjacket and threatens them with jail for non-compliance.

H.R. 12898 provides the Federal minimum standards necessary to balance the important national energy and environmental needs. H.R. 12898 will provide a Federal law with the legal framework within which the industry can mine coal with a clear understanding of just what is and what is not required or allowed. H.R. 12898 will spare the industry the agony of doubt and indecision inherent in H.R. 11500. H.R. 12898 expresses the national concern for protecting and enhancing our environment while insuring that the Nation will have energy for promoting the general welfare of its people.

The series of amendments which I shall offer to H.R. 11500, in addition to H.R. 12898 in the nature of a substitute, can be divided into two categories: the amendments supported by the administration and additional amendments which I have had prepared.

The amendments supported by the administration deal with specific objectionable features of H.R. 11500 which the administration continuously sought to have the committee change. These deficiencies concern the provisions of H.R. 11500 which deal with: approximate original contour in the interim and permanent programs, interim program flexibility, mining prohibitions and restrictions, surface subsidence incident to underground mining, protection of the surface owner, performance criteria, financial and manpower objections, and ad-

ministration, enforcement and judicial matters.

The amendments are as follows:

I—AMENDMENTS TO H.R. 11500 SUPPORTED BY THE ADMINISTRATION

1. Page 145, line 21. Delete subsection (a) of section 201 and that portion of subsection (b) up to and including the colon on page 146, line 5, and insert in lieu thereof the following:

"(a) On and after ninety days from the date of enactment of this Act, no person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by a State regulatory authority unless such person has obtained a permit from such regulatory authority. All such permits shall contain terms requiring compliance with the interim mining and reclamation performance standards specified in subsection (b) of this section."

2. Page 146, line 6. Strike out on page 146, lines 6 through 24, and on page 147, lines 1 and 2, and insert in lieu thereof the following:

"(b) (1) With respect to coal surface mining on steep slopes, no spoil, debris, soil, waste materials, or abandoned or disabled mine equipment, may be placed on the natural or other downslope below the bench or cut created to expose the coal seam except that spoil from the initial block or short linear cut necessary to obtain access to the coal seam may be placed on a limited or specified area of the downslope;

Provided, That the spoil is shaped and graded in such a way as to prevent slides, erosion and water pollution, and is revegetated in accordance with paragraph (3) below. *Provided further*, That spoil may be placed on areas away from the mined area if the operator demonstrates that such placement will provide equal or better protection of life, property and environmental quality and the spoil is shaped and graded in such a way as to prevent slides and minimize erosion and water pollution and, if such placement is permanent, the area is revegetated in accordance with paragraph (3) below. *Provided further*, however, That (A) the regulatory authority may permit limited or temporary placement of spoil on a specified area within or adjacent to the mined area in conjunction with mountain top mining operations with all highwalls eliminated, if placement is consistent with the approved post-mining land use of the mine site and (B) the provisions of this subsection (b) shall not apply to those situations in which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area."

3. Page 147, line 13. After the word "time," strike out "where the operation follows the coal deposit vertically".

4. Page 147, line 24. After the word "region" strike out "but not necessarily meeting the revegetation requirements of subsection (3)".

5. Page 151, line 8. Delete section 201(b) (7) and insert in lieu thereof the following:

"(7) Upon petition by the permittee or the applicant for a permit and after public notice and opportunity for hearing the regulatory authority may modify the application of the interim mining and reclamation performance standards set forth before the first proviso in paragraph (1) and in any provision of paragraph (2) of this subsection, if the permittee demonstrates by proper documentation and the regulatory authority finds that:

(A) the permittee has not been able to obtain the equipment necessary to comply with such standards;

(B) the surface coal mining operation will be conducted so as to meet all other standards specified in subsection (b) of this sec-

tion and will result in a stable surface configuration in accordance with a mining and reclamation plan approved by the regulatory authority; and

(C) such modification will not cause hazards to the health and safety of the public or significant imminent environmental harm to land, air or water resources.

Any such modification shall be reviewed periodically by the regulatory authority and shall cease to be effective upon implementation of a State program pursuant to section 203 of this Act or a Federal program pursuant to section 204 of this Act."

6. Page 152, line 12. Delete section 201(c) and insert in lieu thereof the following:

"(c) Within sixty days from the date of enactment of this Act, the State regulatory authority shall review and amend all existing permits in order to incorporate in them the interim mining and reclamation performance standards of subsection (b) of this section. No later than one hundred and twenty days from the date of issuance of such amended permit, all surface coal mining operations existing at the date of enactment of this Act on lands on which such operations are regulated by a State regulatory authority shall comply with the interim mining and reclamation performance standards in subsection (b) of this section with respect to lands from which the overburden has not been removed."

7. Page 151, line 21. Strike out subsection "(d)" and insert a subsection "(d)" to read as follows:

"(d) The regulatory authority may grant exceptions to subparagraphs (1) and (2) if the regulatory authority finds that one or more variations from the requirements set forth in subparagraphs (1) and (2) will result in the land having an equal or better economic or public use and that such use is likely to be achieved within a reasonable time and is consistent with surrounding land uses and with local, State, and Federal law."

8. Page 154, line 6. After the word "basis" strike out "(but at least one inspection for every site every three months)".

9. Page 156, line 13 and 14. Strike out "or Indian". Page 156, line 15. Strike out "or Indian". Page 156, line 16 and 17. Strike out "and Indian land".

10. Page 163, line 4. Strike out lines 4, 5, 6 and 7, and insert in lieu thereof the following:

"(2) The State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if it is demonstrated that reclamation pursuant to the requirements of this Act is not physically feasible."

11. Page 166, line 17. Following line 17, insert a subsection "(e)" to read as follows:

"(e) In those instances where the regulatory authority has determined that an area is unsuitable for all or certain types of surface coal mining operations because it has been demonstrated that reclamation pursuant to the requirements of this Act is not feasible under subsection (a)(2) above, permits to mine such areas will not be issued unless the regulatory authority determines with respect to any such permit that the technology is available to satisfy applicable performance standards."

12. Page 169, lines 22 and 23. Strike out the words "under study" and insert "as to which an administrative proceeding has commenced pursuant to 206(a)(4)(D)".

13. Page 170, line 2. Strike out "permit" and insert "permit or unless a contrary determination is made pursuant to section 206(e)".

14. Page 171, lines 14 and 15. Strike out "the national forests".

15. Page 171, line 20. Following the word "operations" strike out "in existence on the date of enactment of this Act, or those for

which substantial legal and financial commitments were in existence prior to September 1, 1973," and insert in lieu thereof "conducted pursuant to valid existing rights on the date of enactment of this Act."

16. Page 187, line 6. After the word "time", strike out "where the operation follows the coal deposit vertically".

17. Page 191, line 7. Beginning on page 191, line 7 through page 192, line 10 strike out subclauses (A) through (F) and insert in lieu thereof the following:

"(A) avoiding acid or other toxic mine drainage to the extent practicable by preventing, retaining, or treating drainage to reduce mineral content which adversely affects downstream water uses when it is released to water courses;

"(B) casing, sealing, or otherwise managing boreholes, shafts, and wells in a manner designed to prevent acid or other toxic drainage to ground and surface waters;

"(C) conducting surface mining operations so as to minimize to the extent practicable the adverse effects of water runoff from the permit area;

"(D) if required, removing and disposing of siltation structures and retained silt from drainways in an environmentally safe manner;

"(E) restoring to the maximum extent practicable recharge capacity of the aquifer at the minesite to premining conditions; and

"(F) relocating surface and ground water in a manner consistent with the permittee's approved mining and reclamation plan."

18. Page 195, line 17. Strike out subparagraph "(1)" beginning on page 195, line 7, through page 196, line 2, and insert in lieu thereof the following:

"(1) No spoil, debris, soil, waste materials, or abandoned or disabled mine equipment may, except as necessary to the original excavation of earth in new mining operations, be placed on the undisturbed or natural surface within or adjacent to the mined area, *Provided*, That spoil may be placed on areas away from the mined area if the operator demonstrates that such placement will provide equal or better protection of life, property and environmental quality and the spoil is shaped and graded in such a way as to prevent slides and minimize erosion and water pollution and, if such placement is permanent, the area is revegetated in accordance with subsection (b) of this section.

19. Page 197, line 22. Strike out "or public facility" and insert "agricultural, recreational, or public facility".

20. Page 19, line 10. Strike out the word "higher" and insert the word "equal".

21. Page 199, line 3. Strike out lines 3, 4, 5, 6, 7, 8 and 9.

22. Page 199, line 22. Strike out all of Section 212(b)(1) beginning on page 199, line 22, through page 200, line 4, and insert in lieu thereof the following:

"(1) as determined in accordance with regulations promulgated by the Secretary of the Interior, provide for adequate support for the ground surface by assuring appropriate underground mine support in order to prevent subsidence to the extent technologically and economically feasible, maximize mine stability, and the value and use of such surface lands, except in those instances where the mining technology used involves planned subsidence in a predictable and controlled manner."

23. Page 227, line 12. Strike out "or disapprove".

24. Page 228, line 3. Strike out lines 3 through 14 and insert in lieu thereof the following:

"(2) Any promulgation of regulations by the Secretary pursuant to sections 201(f), 202, 211, and 212 shall be subject to judicial review only by the United States Court of Appeals for the District of Columbia Circuit in accordance with the procedures set forth in paragraph (1) of this subsection."

25. Page 232, line 11. After the word "person" insert "having an interest which is or may be adversely affected".

26. Page 232, line 19. Strike out "regulatory authority" and insert "Secretary".

27. Page 232, line 22. Strike out "with the regulatory authority" and insert "with the Secretary or the regulatory authority".

28. Page 232, line 25 and page 233, line 1. Strike out line 25 on page 232 and line 1 on page 233 and insert the following: "order such violation or failure to be corrected, and to apply any".

29. Page 233, line 3. Strike out lines 3, 4, 5, 6, 7, 8 and 9, and reletter the subsequent subsections as (b), (c), (d) and (e).

30. Page 234, line 9. Strike out "appropriate" and insert the following "appropriate, except that the court shall not award such costs against the United States".

31. Page 235, line 1. After the word "title," insert "and any person who violates a protective order issued pursuant to the provisions of section 705."

32. Page 237, line 7. Strike out "or section 222(b) of this Act" and insert "section 222(b) or section 705 of this Act."

33. Page 241, line 10. Strike out "and Indian land".

34. Page 242, line 16. Strike out Title III and renumber the subsequent titles and sections.

35. Page 249, line 3. Strike out sections 401, 402, 403, 404, 405, 406, 407 and 408 of Title IV and insert in lieu thereof the following:

Sec. 401. (a) There is created on the books of the Treasury of the United States a fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior.

(b) The Secretary is authorized to use the money in the fund for making grants for the purposes of sec. 404.

OBJECTIVES OF FUND

Sec. 402. Objectives for the obligation of funds for the reclamation of previously mined areas shall be to achieve the greatest estimated benefits from the costs incurred.

ELIGIBLE LANDS

Sec. 403. Funds for reclamation may be expended under this title only for lands which (i) were mined for coal or the value of which were adversely affected by such mining, wastebanks, coal processing, or other mining processes; (ii) were abandoned prior to the enactment of this Act; (iii) are subject to no continuing responsibility for such reclamation under State or other Federal laws, and (iv) title to which is held by the State or States in which they are located at the time any grants of money are made under this title.

Sec. 404. (a) For the purpose of carrying out the provisions of this title the Secretary is authorized to make grants on a matching basis to States in such amounts as may be provided in subsection (b), but in no event shall any grant exceed 50 per centum of the total cost of the reclamation of the lands for which such grant is made. Any disposal by a State of such lands subsequent to the completion of such reclamation shall for fair market value as determined by a competitive sale. All moneys from such sale shall be deposited in a State fund which, together with interest thereon shall be used for the purposes of the original grants and without further Federal matching.

(b) The Secretary shall establish entitlement for the various States on the basis of the incidence of abandoned coal mined lands and best estimates of costs of reclamation."

36. Page 265, line 17. Strike out Title V and insert a new Title V to read as follows:

AUTHORITY OF THE SECRETARY

Sec. 501. (a) In carrying out his responsibilities under this Act the Secretary shall:

(1) administer the State grant-in-aid program for the development of State programs for surface coal mining and reclamation operations provided for in this title;

(2) develop and administer any Federal programs for surface coal mining and reclamation operations which may be required pursuant to this Act and review State programs for surface mining and reclamation operations pursuant to this Act.

(3) maintain a continuing study of surface coal mining and reclamation operations in the United States;

(4) assist the States in the development of State programs for surface coal mining and reclamation operations which meet the requirements of this Act;

(5) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act;

(6) conduct hearings, administer oaths, issue subpoenas, and compel the attendance of witnesses and production of written or printed materials as necessary to carry out his duties under this Act; and

(7) perform such other duties as may be provided by law and relate to the purposes of this Act.

(b) For the purpose of carrying out his responsibilities under this Act, including the enforcement thereof, the Secretary may by agreement utilize with or without reimbursement the services, personnel, and facilities of any Federal agency.

37. Page 268, line 15. Strike out Title VI.

38. Page 277, line 8. Insert a "Sec. 705" and renumber the subsequent sections as follows:

"Sec. 705. Proprietary information submitted to the Secretary or to the regulatory authority pursuant to this Act which if made available to the public would result in competitive injury to the applicant, may be designated confidential and shall not thereafter be disclosed. Any such information submitted to the Secretary shall be subject to the provisions of 18 U.S.C. 1905. Appropriate protective orders against unauthorized disclosure or use of such information by third parties may be issued with respect to such information and violations of such orders shall be subject to the civil and criminal penalties set forth in section 224, and section 225(b) shall not apply to any proceedings to assess such penalty."

39. Page 282, line 14. Strike out "Act." and insert the following:

"Act, and except that this term shall not be construed or applied to prohibit thick seam area mining where the surface is returned to an appropriate contour considering the surrounding topography and possible future uses of the area."

40. Page 287, line 10. Strike out "Section 709" and insert a "Section 709" to read as follows:

"Sec. 709(a) In those instances in which the surface owner is not the owner of the mineral estate proposed to be mined by surface coal mining operations, the application for a permit shall include the following:

(1) the written consent of, or a waiver by, the owner or owners of the surface lands involved to enter and commence surface coal mining operations on such land, or, in lieu thereof,

(2) the execution of a bond or undertaking to the United States or the State, whichever is applicable, in an amount determined by the regulatory authority for the use and benefit of the surface owner or owners of the land, to secure the immediate payment equal to any damages to the surface estate which the operation will cause to the crops or to the tangible improvements of the surface owner as may be determined by the parties involved or as determined and fixed in an action brought against the permittee or upon the bond in a court of competent jurisdiction. This bond is in addition to

the performance bond required for the reclamation by this Act.

(b) For the purposes of this section, the term "surface coal mining operation" does not include underground mining for coal."

41. Page 290, line 18. Strike out Title VIII.

II—ADDITIONAL AMENDMENTS

42. Page 142, line 4. Strike out "and other minerals" and insert "by surface and underground mining".

43. Page 142, line 8. Strike out "many mining operations" and insert "surface and underground coal mining operations".

44. Page 142, line 19. Strike out "distribution of mines" and insert "distribution of coal mines".

45. Page 142, line 20. After the word "technology" strike the balance of line 20 and strike all of lines 21 and 22, and insert in lieu thereof the following:

"..., terrain, climate, geological, chemical, demographic, and other factors which directly or indirectly affect the feasibility and desirability of reclamation techniques in a specific geographic area requiring that standards be flexible and that decisions with respect to a particular reclamation plan be made at the State level of government;"

46. Page 142, line 23. Strike out subsection "(d)" and insert a new subsection "(d)" to read as follows:

"(d) surface and underground coal mining operations presently contribute significantly to the Nation's energy requirements, and substantial quantities of the Nation's coal reserves lie close to the surface, and can only be recovered by surface mining methods, and therefore, it is essential to the national interest to insure the existence of an expanding and economically healthy coal mining industry."

47. Page 143, line 7. Strike out "mining operations" and insert "surface coal mining operations".

48. Page 143, line 9. Strike out "against the degradation of".

49. Page 143, line 12. Strike out subsection "(f)" and insert a new subsection "(f)" to read as follows:

"(f) the primary and continuing responsibility for the regulation of surface coal mining is in the States, and in the absence of effective State regulatory laws and enforcement, the Federal government may assume the responsibility for the regulation and enforcement of federal minimum standards established by this Act, when a State demonstrates that it is not prepared to assume this responsibility; and"

50. Page 144, line 4. Strike out "Sec. 102." and insert a new "Sec. 102" to read as follows:

"Sec. 102. It is the purpose of this Act to—

(a) encourage a nationwide effort to regulate surface coal mining operations to prevent or substantially reduce their adverse environmental effects, to stimulate and encourage the development of new, environmentally sound surface coal mining and reclamation techniques, and to assist the States in carrying out programs for those purposes;

(b) provide that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are protected from the adverse impacts of surface coal mining operations pursuant to the provisions of this Act;

(c) provide that surface coal mining operations are not conducted where reclamation as required by this Act is not feasible;

(d) provide that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided in accordance with the policy of Mining and Minerals Policy Act of 1970; and

(e) provide that appropriate procedures are provided for public participation in the development, revision, and enforcement of

regulations, standards, mining and reclamation plans, or programs established by the Secretary or any State pursuant to the provisions of this Act."

51. Page 414, line 21. Strike out "against the degradation of".

52. Page 146, line 2. After "operations" insert "on lands on which such operations are regulated by the State".

53. Page 148, line 10. Strike out "block or short linear".

53a. Page 147, line 13. Strike out "where the operation follows the coal deposit vertically".

53b. Page 147, line 22. After the word "repose" insert "to provide adequate drainage".

54. Page 149, line 5. After the word "spoil," insert "(unless replaced as part of the mining operation)".

55. Page 149, line 9. After the word "any" insert "contamination by other".

56. Page 149, line 12. Strike out "not capable of" and insert "of insufficient quantity or of poor quality for".

57. Page 152, line 14. After the word "operations" insert "on lands on which such operations are regulated by the State".

58. Page 153, line 21. Strike out "Sec. 201 (f)" and reletter the following subsections.

59. Page 156, line 15. After the word "program" insert "new or".

60. Page 162, line 20. Strike out "Sec. 206." and insert a new "Sec. 206" to read as follows:

"SEC. 206. (a) To be eligible to assume primary regulatory authority pursuant to section 203, each State shall establish a planning process enabling objective decisions to be made based upon public hearings and competent and scientifically sound data and information as to which, if any, areas or types of areas of a State (except Federal lands) cannot be reclaimed with existing technology to satisfy applicable standards and requirements of law. The State agency will not issue permits for surface coal mining of such areas unless it determines, with respect to any such permit, that the technology is available to satisfy applicable performance standards.

"(b) The Secretary, and, in the case of national forest lands, the Secretary of Agriculture, shall conduct a review of the Federal lands and determine, pursuant to the standards set forth in subsection (a) of this Section, areas or types of areas on Federal lands which cannot be reclaimed with existing technology to satisfy applicable standards and requirements of law. Permits for surface coal mining will not be issued to mine such areas unless it is determined, with respect to any such permit, that the technology is available to satisfy applicable performance standards.

"(c) In no event shall a permit for surface coal mining operations be issued after the date of enactment of this Act for lands located within any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, or the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act: *Provided, however,* That this paragraph shall not prohibit surface mining operations in existence on the date of enactment of this Act, or those for which substantial legal and financial commitments were in existence prior to September 1, 1973; but, in no event shall such surface mining operations be exempt from the requirements of this Act.

"(d) In no event is an area to be designated unsuitable for surface coal mining operations on which surface coal mining operations are being conducted on the date of enactment of this Act, or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations are in existence prior to the date of enactment of this Act. Designation of an

area as unsuitable for mining shall not prevent mineral exploration of the area so designated."

61. Page 171, line 13. Strike out lines 13 through 25, and renumber.

62. Page 175, line 7. Strike out "an accurate map or plan" and insert "a map or plat".

63. Page 175, line 8. After the word "affected" strike out the balance of line 8 and strike out all of lines 9, 10, 11, 12, 13, 14 and 15.

64. Page 175, line 20. After the word "courses," insert "within the permit area".

65. Page 176, line 4. Strike out "required under subparagraph (16)" and insert "made".

66. Page 176, lines 12 and 13. Strike out "the location of aquifers; underground waters," and insert "the location of known aquifers and underground waters".

67. Page 177, line 16. Strike out "a determination of the hydrologic" and insert "an analysis of the probable hydrologic".

68. Page 177, line 17. After the word "operations" insert "including the relocation of surface waters".

69. Page 177, lines 22 and 23. Strike out "and surrounding area".

70. Page 177, line 24. On page 177, strike out line 24 and on page 178, strike out lines 1 and 2, and insert in lieu thereof the following:

"Probable impacts of the hydrology of the area;"

71. Page 182, line 19. Strike out subsection "(f)" and insert new subsection "(f)" as follows:

"(f) The term of any permit for surface coal mining and reclamation operations shall not exceed five years if issued pursuant to an approved State program and shall be for five years if issued pursuant to a Federal program. Each permit shall carry with it a right of successive renewals, if the permittee has complied with the requirements of the approved State program or a Federal program for the State within which the operations are conducted and has the capability to implement the reclamation plan applicable to the operations covered by the permit. Prior to approving the renewal of any permit the regulatory authority shall review the permit and the surface coal mining and reclamation operations and may require such new conditions and requirements as are necessary to deal with changing circumstances. A permit shall be renewed by operation of law unless prior to expiration of the permit term the permittee has given timely notice and a hearing in accordance with the rules and regulations of the regulatory authority and the regulatory authority has found that the requirements for renewal have not been satisfied."

72. Page 185, line 14. Strike out lines 14 through 22 and insert in lieu thereof the following:

"(4) incorporate the objectives of the reclamation plan into the mining process to enable reclamation operations to be current and to complete such reclamation as soon as practicable following completion of mining as set forth in the approved reclamation plan;"

73. Page 185, line 24. After the word "spoil" insert "(unless replaced as part of the mining operation)".

74. Page 186, line 4. After the word "any" insert "contamination by other".

75. Page 186, line 7. Strike out "not capable of" and insert "of insufficient quantity or of poor quality for".

75a. Page 187, lines 6 and 7. Strike out "where the operation follows the coal deposit vertically".

75b. Page 187, line 18. After the word "repose" insert "to provide adequate drainage".

76. Page 192, line 5. Strike out lines 5, 6, 7 and 8, and insert in lieu thereof the following:

(E) protecting throughout the mining and reclamation process the hydrologic balance of alluvial valley floors off the mine site in arid and semi-arid areas;"

77. Page 194, line 6. After the word "area" insert "and". Page 194, line 7. Strike out "(iv)" and insert "any". Page 194, line 9. Strike out "area;" and insert "shall be subject to the provisions of subsection 709(d);".

78. Page 194, line 16. Strike out "breakthroughs;" and insert "breakthroughs, unless a lesser distance is approved by the regulatory authority;".

79. Page 195, line 12. After the word "to" insert "mining operations which will create a plateau with no highwalls remaining on".

80. Page 195, line 21. Strike out "block or short linear".

81. Page 196, line 15. Strike out lines 15 and 16, and renumber.

82. Page 196, line 23. After the word "any" insert "agriculture or silviculture, or", and on page 197, line 21. After the word "where" insert "agriculture or silviculture".

83. Page 199, line 4. Strike out "may be effective for a period of" and insert in lieu thereof "shall be reviewed". Page 199, lines 6 and 7. Strike out "a substantial portion of". Page 199, lines 7 and 8. Strike out "in process of completion under" and insert "proceeding in accordance with".

84. Page 199, line 14. After the word "regulate" insert "surface operations incident to".

85. Page 199, line 22. Strike out lines 22, 23, 24 and 25, and on page 200, strike out lines 1, 2, 3 and 4, and renumber.

86. Page 200, line 14. Strike out "with incombustible and impervious materials".

87. Page 201, line 19. Strike out lines 19, 20, 21, 22 and 23 and reletter the subsequent subsections.

88. Page 203, line 13. Strike out lines 13, 14, 15, 16 and 17, and reletter the subsequent subsections.

89. Page 224, line 2. Strike out "original period or original period and".

90. Page 224, line 6. Strike out "shall" and insert "may".

91. Page 228, line 2. After "Code." insert the following:

"Nothing herein shall be construed to limit the right of a permittee to seek immediate judicial review of a notice or order issued pursuant to the provisions of subparagraphs (a)(2) and (3) of section 220 of this title in a court of competent jurisdiction."

92. Page 228, line 15. Strike out lines 15 through 21, and reletter the subsequent subsections.

93. Page 228, line 23. After the word "Act," strike out "except an order or decision pertaining to an order issued under section 220(a)(2) of this title".

94. Page 232, line 11. After the word "person" insert "having an interest which is or may be adversely affected".

95. Page 233, line 3. Strike out lines 3, 4, 5, 6, 7, 8 and 9, and reletter the subsequent subsections.

96. Page 233, line 13. After the word "notice" insert "in writing under oath".

97. Page 233, line 22. Strike out "provision, but in any such action in a court of the United States any person may intervene as a matter of right;" and insert "provision;"

98. Page 239, line 5. After the word "every" insert "new or".

99. Page 242, line 16. Strike out all of "Title III" and insert a new "Title III" to read as follows:

"TITLE III—INDIAN LANDS STUDY"

"SEC. 301(a) The Secretary is directed to study the question of the regulation of surface mining on Indian lands which will achieve the purposes of this Act and recognize the special jurisdictional status of these lands.

"(b) In carrying out this study the Secre-

tary shall consult with Indian tribes, and may contract with or grant to Indian tribes, qualified institutions, agencies, organizations, and persons.

"(c) The study report shall be submitted to the Congress as soon as possible but not later than January 1, 1975."

100. Page 249, line 15. Strike out lines 15 and 16, and insert the following:

"(3) Money authorized to be appropriated under section 701(c)".

101. Page 249, lines 19 and 20. Strike out "Administration of the fund and enforcement and collection of the fee as specified in subsection (d)".

102. Page 250, line 5. Strike out lines 5 through 26, and on page 251, strike out lines 1 through 14.

103. Page 252, line 15. Strike out lines 15 through 24, and on page 253, strike out lines 1 and 2.

104. Page 268, line 15. Strike out all of Title VI.

105. Page 272, line 10. After "title III" strike out "contract authority is granted to the Secretary of the Interior for the sum of \$10,000,000 to become available immediately upon enactment of this Act" and insert "there are authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1975."

106. Page 272, line 20. Following line 20 insert a new subsection "(c)" to read as follows:

"(c) There is authorized to be appropriated to the Abandoned Mine Reclamation Fund as provided for in Title IV of this Act initially a sum of \$40,000,000 and such other sums as Congress may thereafter authorize to be appropriated." and reletter the subsequent subsection.

107. Page 278, line 2. Strike out "and impacts".

108. Page 279, lines 3 and 4. Strike out "ventilation shafts, entryways".

109. Page 280, line 7. Strike out lines 7 through 13, and renumber.

110. Page 282, line 7. Strike out "and grading of the mined area" and insert "or grading of the affected area".

111. Page 282, lines 9 and 10. Strike out "and is in accordance with the drainage pattern of the surrounding terrain" and insert "the surrounding terrain and complements its drainage pattern".

112. Page 282, line 15. Strike out lines 15 through 23 and renumber.

113. Page 283, lines 13 and 14. Strike out lines 13 and 14, and insert in lieu thereof "from surface mining operations, so that affected".

114. Page 283, lines 16 and 17. Strike out "reduce the value of" and insert "adversely affects".

115. Page 283, line 20. Strike out "contouring," and insert "contour".

116. Page 283, line 20. Strike out "resoil," and insert "replacement of soil".

117. Page 283, line 22. After the word "erosion" insert "and".

118. Page 283, lines 23 and 24. Strike out "water degradation or pollution from un-filled cracks and fissures".

119. Page 287, line 10. Strike out "Sec. 709 (a)" and "Sec. 709(b)" and insert in lieu thereof the following:

"SEC. 709. (a) In those instances in which the surface owner is not the owner of the mineral estate proposed to be mined by surface coal mining operations, the application for a permit shall include the following:

"(1) the written consent of, or a waiver by, the owner or owners of the surface lands involved to enter and commence surface coal mining operations on such land, or, in lieu thereof,

"(2) the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the surface owner or owners of the

land, to secure the immediate payment equal to any damages to the surface estate which the surface coal mining operation will cause to the crops or the tangible improvements of the surface owner as may be determined by the parties involved or as may be determined and fixed in an action brought against the permittee or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation by this Act.

"(b) For the purposes of this section the term 'surface coal mining operation' does not include underground mining for coal."

120. Page 290, line 17. Following line 17, insert a "Sec. 713" to read as follows:

"SEC. 713. Nothing in this Act, except for Title IV, shall be construed as applying to any areas affected by surface mining or surface operations incident to underground mining which were conducted prior to the effective date of this Act."

THE FIGHT AGAINST INFLATION AND THE RESTORATION OF OUR NATION'S ECONOMY RESTS ON INCREASING PRODUCTION THROUGH GREATER CAPITAL INVESTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, a higher living standard without inflation for both current and future generations of Americans depends upon the ability of our private enterprise system to generate enough investment capital necessary to increase production. It is that simple.

Industry cannot continue to expand without investment funds—funds to buy land, build plants, buy machinery, tools and raw goods, and hire workers. Without those funds—that is, investment capital—production stagnates. And, when it does, jobs—and takehome pay—are jeopardized. So too are dividends—returns on investments paid to investors—from which additional investments in industry can be made. It becomes a spiral—downward.

It is a social and an economic fact of life that the only real way to increase productivity is to increase the amount of capital invested per capita.

The statistics on the declining rate of capital investment are staggering. They should concern all of us, because they reflect a trend which invites severe economic hardships for all of us, unless we reverse it.

Just the maintenance of something like the present living standard will not be easy. A nation of our size and affluence needs to generate enormous amounts of capital just to replace the things that wear out—roads, railway cars, machine tools, school buildings, airplanes and what have you. And, that is just to stay even.

It—our Nation—needs still more investment capital—much more—to provide for growth—to insure progress—to keep production rising at a level to keep abreast of growing demand for additional jobs for a growing work force.

The capital needs of this country are truly staggering.

Electric utilities alone, for example, will have to raise and invest \$500 billion—

half a trillion—between now and 1985 to meet projected, reasonable energy demands. Think of how much that pushes up the utility costs borne by all of us—costs which have risen not to provide additional profits but rather to provide additional equipment, machinery, and plants to stay abreast of growth in electrical energy demand—something to which we add additional pressure every time we buy a new electrical appliance.

To upgrade our transportation systems—rail, air, and water—we will have to have another \$170 billion. And, the oil and petrochemical industries will have to invest \$270 billion in the same time period in order to avoid the energy and chemical shortages we experienced last fall.

How does this add up against previous growth? From 1962 through 1973, capital investment in this country totaled \$1.6 trillion.

What will the next 12-year period require? A full \$3.3 trillion in today's dollars—not even considering inflation.

Why are we not investing enough additional and new capital in the economy?

There are several reasons, all bearing heavily upon the problem.

PRODUCTION AND CONSUMPTION

As a nation, we are making the bad mistake of gratifying immediate economic demands through artificially-encouraged consumption and endangering, in the process, the long term vitality of our economy through artificially-discouraged investment.

That vague, far-distant future when we would have to reconcile our national account books—so to speak—which many thought they would never live to see is about on top of us. In short, the effects of bad political policies and wrong directions are coming home to roost.

It is important to remember—and too many have forgotten—that when a nation neglects investment in favor of consumption for very long it does so at great peril.

A good many of the economic problems of the United States stem directly from the fact that public policy in recent years has become weighted too heavily in favor of consumption and against investment, particularly against investment by the private sector. Investment capital is diminished by reduced profits, higher corporate taxes, higher income taxes on return on capital, and, of course, by a prevailing pessimistic attitude about the economy.

We have gradually turned from a production oriented economy to a consumption oriented one. Instead of thinking about how to enhance production—which means a growing economy with additional jobs and higher wages—we think too much about how to stimulate consumption. Actually, this phenomenon is typically devoid of any conscious, thinking process, for if we did so, we would probably come out on the side of increased production each time.

This phenomenon should not be misunderstood. We are all producers, and we are all consumers. When we go to work, we go to work to produce—either a good or a service—acting as producers.

We then take our pay and spend it—for necessary items and occasionally for something we probably did not really have to have—acting thereby as consumers.

Increased consumption does not have to be at the expense of increased production. Quite to the contrary, if natural market forces of supply and demand are allowed to function, increased consumption will even spur additional production. That is what a growing economy—a healthy economy—is really all about.

But, this is not what has been happening. What we have seen, rather, is the use of economy policies which interferes with those market forces.

The results—the effects—of these policies are all too apparent.

Gross private domestic investment in the United States last year was only 15.7 percent of the gross national product.

How does that stack up against investment in other countries—our principal competitors in world markets? Not well at all.

By contrast to our low investment, Germany invested 26 percent, France 28 percent, and Japan a staggering 37 percent. And, look what is happening as a result in the Japanese economy—unemployment is at an alltime low and the Japanese economy is bustling.

What we can do to get our own investment level back up to where it has to be brings me to my next point.

PROFITS HELP BUILD EVERYONE'S ECONOMIC CONDITION

There was a time when profits were admired. There was a time when the measure of a man's success or a company's success was his or its ability to return a profit—to return an earnings above the cost of production.

Somehow, over the past decades, profits have taken on—or had cast upon them—a negative, sinister, pejorative interpretation. Instead of being a goal, they are sought to be minimized. Instead of workers praising them—because they provide the means for increasing production and thereby building more jobs—they are criticized as somehow being out of the workman's pocket.

Yet without profits, there can be no funds from which to meet employees' salary boosts.

Without profits, there can be no funds from which to increase production by reinvestments of capital.

Without profits, there can be no funds from which to pay investors whose hard-earned dollars provide the financial backbone of our industrial system, nor can there be the diversity of investors which, in itself, helps to distribute personal income more evenly among our people.

Without profits, there can be no incentives for businesses—from the mom-and-pop grocery stores on the corner to major producers—to go into business.

We should, in my opinion, not be looking, therefore, at profits as some evil to be disdained by good people, but rather as the best and most effective vehicle through which we can resolve most of our economic problems. Our system is a profit and loss system which provides

the greatest incentive ever known to an imperfect society to wage war on poverty.

We hear so much today about profits—and how they are supposedly at an all time high. Are they? Not at all in real dollar terms.

Between 1966 and 1973, a staggering 34 percent drop occurred in adjusted after-tax profits.

Thus, this 34-percent drop in profits is even worse than it first appears to be, for not only were companies hit with that 34-percent drop in profits, but also a 37-percent increase in the cost of doing business—which means a 37-percent loss in the purchasing power of their dollars too.

Look how misleading "antiprofit" statistics can be.

We hear much today that 1973 profits were 30 percent higher than they were in 1965. That is true, but that is only half the story. In that same 8-year period, the gross national product—the total value of everything produced—went up 88 percent. So, instead of just saying there was a 30-percent jump during 8 years in profits, what should be said is that industry's profits for 1973 were only 3.9 percent of the GNP, compared to 5.6 percent of the GNP in 1965, a drop of nearly a third.

The conclusion is simple. We are losing ground. And, in the long run, everyone will be hurt by it, particularly the work force that depends on increased production to keep the job demand level high.

If profits keep shrinking, we will also have to live with ever-worsening shortages because of decreased production, and none of us want that to happen. But, it will.

WHAT CAN BE DONE?

There are a number of important measures which can be undertaken to help us resolve this underinvestment problem.

First, we have got to go to work again, each of us can improve upon his own productivity on the job. We can all work with more enthusiasm and care—conserve more energy and materials—come up with money-saving ideas—help to make more out of less. That is productivity.

Second, we can begin the elimination of those disincentives to capital investment which are embodied in our tax laws.

Some of the measures which ought to be given consideration include increasing the exclusion from capital gains taxes so as to encourage more investment by small investors; eliminate double taxation on common dividends either by giving corporations a dividend tax credit or by granting an exclusion from taxes greater than the \$100 now permitted; and permit price-level adjustments in property, plant and equipment in the determination of the depreciation deduction, so as to improve cash flow and permit corporations to replace worn-out equipment at today's prices which are much higher than the original equipment costs.

We should also consider increasing the tax credit, especially in areas related to resource development, energy, technology, ecology, pollution control,

and waste recycling; permit greater deductibility of capital losses on individual tax returns; and, of great importance, change our tax policies as to the point at which profits are taxed on the corporate level. Presently, taxes are imposed at the level of profit on produced goods and services—that gain which exceeds the ordinary costs of doing business. Reinvestment by businesses in capital acquisitions is from after-taxes dollars, a greatly reduced amount from the initial profit margins. If we changed tax policy to permit reinvestment in capital acquisition prior to taxes, it would foster a reinvestment of capital in American enterprise the likes of which we have never seen—and that would shore up the economy by providing vast new amounts of jobs.

These proposals will have to be carefully weighed; I am not fully committed to any particular one. But, I am committed to providing, as soon as possible, for the removal of disincentives to investment now embodied in our tax laws. We must start this process, and I think here is a good place to start.

I call upon the distinguished chairman of the Committee on Ways and Means, (Mr. MILLS) to weigh the effects of all proposed tax reforms being considered by that committee upon our Nation's production capacity. Tax policy should encourage production through enhanced investment of capital; tax reforms this year ought to reflect that judgment.

To those who really care about raising the standard of living, fighting poverty, erasing class distinctions, building schools, churches, libraries and hospitals, et cetera. Why not try the incentive system, private enterprise.

Mr. Speaker, at this point in the RECORD, I include the following commentary by R. G. Jones, of General Electric Co. on capital needs and a Wall Street Journal editorial on this same vital subject:

REGINALD H. JONES ASKS: CAN WE AFFORD THE FUTURE?

"The capital needs of this country are mind-boggling," Reginald H. Jones, Chairman of the Board, General Electric Company.

Most Americans recognize by now that increased productivity is the key to a rising standard of living.

But it has a price: capital investment to provide the facilities and machinery that enables people to be more productive. Capital investment to provide the energy and materials that are running short.

The capital needs of this country are mind-boggling. Electric utilities will have to raise and invest \$500 billions between now and 1985.

The oil and petrochemical industries must invest \$270 billions in the same period.

To upgrade our transportation system—rail, air and water—will take another \$170 billions.

From 1962 through 1973, capital investment totalled \$1.6 trillions in this country.

But in the next twelve years, through 1985, our capital needs will come to about \$3.3 trillions in today's dollars, even without inflation being taken into consideration.

Most of that incredible sum will have to be raised and invested by the business community.

Where in the world will it come from?

The capital available to business comes only from profits—profits that may be rein-

vested directly or used to attract and support investment by others. The higher the profits, the higher the levels of investment that are possible.

The headlines have been carrying announcements of record profits. In 1973, a very prosperous year, after-tax profits of industrial corporations recovered from their low point in 1969-70 and were up 30% higher than they were in 1965.

But wait a minute.

In the same eight years, the gross national product—the total value of everything produced—went up 88%.

So, industry's profits now equal only 3.9% of the gross national product compared with 5.6% in 1965.

We're losing ground.

If profits become a smaller and smaller part of the picture, we'll never be able to raise the money that will have to be invested between now and 1985 to keep America prosperous.

If profits keep shrinking we'll have to live with ever-worsening shortages and inflation and unemployment and government controls.

There are many things government and business management can do to help business earn the profits it needs to fund America's future.

But one thing we all can do. And that's to improve our personal productivity on the job. Work with enthusiasm and care, whatever our assignment. Conserve energy and materials. Come up with money-saving ideas. Help to make more out of less: that's productivity.

This will not only help industry earn more and invest more in America's future. It will also help each of us earn more as we produce more.

With increased productivity, everybody wins.

And with increased productivity, we will be able to afford the investment needed to assure a healthy future.

[From the Wall Street Journal, May 16, 1974]

BUZZWORDS AND BASICS

While the volume of public discourse on economic issues has risen in the last year or so the quality has declined as the discussion has become more and more politicized.

At one end of the political spectrum statists, Socialists, consumerists and other instinctive critics of private business employ the word profit as a buzzword to stir images of corporate greed. Their adversaries at the other end focus their pejoratives on, for example, taxes.

Yet both profits and taxes are vital to the proper function of the American system, a proposition so elementary it would hardly be worth mentioning were it not for the diminished quality of the debate. The real question—one that should be argued with more analysis and less emotion—is how profits and other forms of saving can be generated, and taxation best employed, to meet the long-range capital needs of the American economy. It is not an academic question: the living standards and social harmony of present and future generations are dependent upon the answer.

Just the maintenance of something like the present living standard in the trillion-dollar U.S. economy will not be easy. A nation of this size and affluence needs to generate enormous amounts of capital just to replace the things that wear out—like roads, railway cars, machine tools, school buildings, airplanes and what have you. And it needs still more if it is to progress.

There is no need for either taxes or profits, per se, to become pejoratives in a political debate. Profits are one form of saving for the nation's vital capital needs, to buy machine tools and airplanes and encourage saving by investors. Taxes can be employed to the same purpose, to build or rebuild schools, roads

and the like. Both, however, can also be diverted or dissipated away from capital uses and towards an excessive fueling of consumer demand. Something of that nature has been happening in the U.S. economy: Profits were restricted and, in effect, transferred to the consumer through price controls; taxes increasingly have been used to transfer income from potential savers to consumers through the medium of a rapidly expanding program of Social Security and welfare.

No one would argue that it is not necessary for a political society to make value judgments between, say, new airplanes and health care for the aged. But it is also important to remember that when a nation neglects investment in favor of consumption for very long it does so at great peril. A good many of the economic problems of the U.S. stem from the fact that public policy in recent years has become weighted in favor of consumption and against investment, particularly investment by the private sector, which is responsible for a high proportion of what the nation consumes.

According to statistics prepared by General Electric Co. for a Joint Economic Committee of Congress subcommittee on growth, gross private domestic investment in the U.S. last year was only 15.7% of gross national product. By contrast Germany invested 26%, France 28% and Japan 37%.

GE Chairman R. H. Jones told the subcommittee that to lick inflation and maintain a socially acceptable level of unemployment the U.S. should raise its investment rate to 18% to 20%. But even at the 1973 rate it will need \$4.5 trillion in capital over the next 12 years. Industry, said Mr. Jones, will be "very hard put" to raise its share of the \$4.5 trillion, "let alone any more than that."

Mr. Jones obviously understands that business has more than a money problem on its hands. Already, the political debate has taken a nasty turn against business and its profits, blaming them for inflation and other economic shortcomings the consumer has been experiencing.

But a continuation of shortages, inflation and high interest rates will be no more comfortable for government than for private industry. There will be strong pressures on government to deal with these issues in just exactly the wrong ways, through still larger income transfers, larger federal deficits and other means that fuel consumption and do nothing to promote profits and savings.

If all this is to be avoided the debate will have to get away from buzzwords and back to basics. The real question is how both profits and taxation can be employed to put the nation in a position to meet its future capital needs.

Mr. Speaker, the decline of Rome was in large part caused by over taxation in order to support government extravagance. Economic illiteracy is as much a danger to our Nation today as it was then, we must combat it with all our strength if our free society is to survive.

PADEREWSKI—PATRIOT, STATESMAN, AND MUSICIAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MORGAN) is recognized for 10 minutes.

Mr. MORGAN. Mr. Speaker, I would like to take this opportunity to commemorate the 43d anniversary of the death of a great pianist and composer, as well as a distinguished Polish patriot and statesman.

Ignacy Jan Paderewski made his first public appearance as a pianist in 1872,

at the age of 12. He later studied both at the Warsaw Conservatory and in Vienna under the instruction of the most famous music teacher of the time, Theodor Leschetizky. With his debut in Paris in 1888, Paderewski launched his career as the most renowned pianist in the world. His world-wide tours included an eminently successful trip to America in 1891. It was during this tour that he first developed his American following.

Mr. Speaker, Paderewski's musical accomplishments were equaled by his patriotism and statesmanship. During World War I, Paderewski gave up his concert appearances to work incessantly toward the reunification of Poland. Upon returning to the United States as the delegate of the Polish National Committee, he discovered both tremendous popular support and generous contributions for the cause of Polish independence and the relief of Polish victims of war. Along with other Polish diplomats, Paderewski convinced President Woodrow Wilson of the importance of a strong, free Poland in a peaceful postwar Europe. This idea later became incorporated into Wilson's 14 points.

When Paderewski returned to Poland after the war, he was received as a national hero. He was elected President of Poland and became Poland's delegate to both the Paris Peace Conference and the opening of the League of Nations.

By 1921, Paderewski's dreams had been realized; the Government was secure and free. Poland had become a reality. He resigned from all political offices and returned to his beloved music. He resumed his concerts and appeared before the most distinguished men in the world, including the Pope and President Hoover.

However, Poland was still in need of Paderewski's dedication and service. After Germany invaded Poland in 1939, Paderewski was elected President of the Polish National Council of the Government-in-Exile. In 1940, at the age of 80, Ignacy Jan Paderewski returned to America for the last time. He was involved in rallying aid to the Polish cause when he became ill in New York City. On June 29, 1941, Paderewski died. By order of President Franklin Roosevelt, his remains were interred in the U.S.S. *Maine* War Memorial in Arlington National Cemetery.

Mr. Speaker, on June 29, memorial services were held at the gravesite of Ignacy Jan Paderewski to honor this truly great man, an inspired musician, and an inspiring patriot. His life is an inspiration to all of us.

SUPPLEMENTARY SECURITY INCOME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, starting this month, nearly 3½ million aged, blind, and disabled people are expecting to receive an additional \$6 in their monthly supplementary security income checks. But due to the complexities of the SSI program, the \$6 will not be there for recipients in most States.

States that supplement the Federal SSI payment, raised this month from \$140 to \$146, have the option of cutting their State supplements to offset the Federal increase. Thus, the higher Federal SSI benefits, authorized in Public Law 93-233, can mean a savings to the State but no increase in income to the recipient.

Legislation to remedy this problem in the future is now under active consideration in Congress. Last week, the Senate amended a House-passed bill, H.R. 8217, to provide for SSI cost-of-living increases with a requirement that these increases be "passed through" to the recipient. This amendment was drafted by my colleague from Minnesota, WALTER MONDALE. When the conference committee for H.R. 8217 convenes after the July 4 recess, I am hopeful that the Mondale amendment will be accepted.

Mr. Speaker, at this point in the RECORD I would like to insert a chart prepared by the Social Security Administration which shows the number of people in each State receiving federally administered SSI benefits as of April. I should indicate that the chart provides statistics only for federally administered benefits. Data on State-administered supplementary benefits is not included.

The chart follows:

SUPPLEMENTARY SECURITY INCOME BENEFITS (FEDERALLY ADMINISTERED), APRIL 1974

	All recipients	Recipients of Federal payment only	Recipients of State payment only	Recipients of both payments
United States	3,288,402	1,889,090	252,208	1,147,104
Alabama	125,149	125,148	—	1
Alaska	2,585	2,585	—	—
Arizona	23,111	23,111	—	—
Arkansas	73,600	54,943	1,441	17,216
California	522,726	12,722	139,590	370,414
Colorado	35,817	35,817	—	—
Connecticut	17,512	17,512	—	—
Delaware	5,284	1,752	606	2,926
District of Columbia	14,361	10,382	431	3,548
Florida	105,559	92,717	1,189	11,653
Georgia	132,828	113,903	3,342	15,583
Hawaii	6,723	1,388	434	4,901
Idaho	6,505	6,505	—	—
Illinois	125,587	82,026	4,235	39,426
Indiana	30,071	24,510	1,501	4,060
Iowa	18,987	16,105	280	2,602
Kansas	17,860	15,415	238	2,207
Kentucky	76,335	76,335	—	—
Louisiana	131,159	91,583	4,463	35,113
Maine	19,801	10,328	2,582	6,891
Maryland	39,967	35,204	681	4,082
Massachusetts	95,814	317	27,582	67,915
Michigan	94,071	5,596	7,089	81,386
Minnesota	31,642	23,235	1,120	7,287
Mississippi	112,357	112,356	—	1
Missouri	98,559	96,559	—	—
Montana	6,474	5,049	193	1,232
Nebraska	13,489	13,489	—	—
Nevada	3,338	332	791	2,215
New Hampshire	4,117	4,117	—	—
New Jersey	48,291	9,925	3,754	34,612
New Mexico	19,683	19,683	—	—
New York	289,797	10,132	32,378	247,287
North Carolina	99,295	99,295	—	—
North Dakota	6,060	6,060	—	—
Ohio	99,035	8,210	1,816	8,009
Oklahoma	76,356	76,356	—	—
Oregon	18,879	18,879	—	—
Pennsylvania	99,640	6,213	2,024	91,403
Rhode Island	11,020	1,257	1,415	8,348
South Carolina	46,864	44,758	286	1,820
South Dakota	6,173	4,923	147	1,103
Tennessee	95,499	89,090	766	5,643
Texas	213,967	213,966	—	1
Utah	7,750	6,634	355	761
Vermont	6,168	6,168	—	—
Virginia	38,908	38,908	—	—
Washington	46,750	2,733	1,819	42,198
West Virginia	28,134	28,134	—	—
Wisconsin	38,429	4,301	9,530	24,598
Wyoming	2,216	1,424	130	662

TURKEY TO RESUME OPIUM PRODUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, I have requested this time today in order to express my extreme displeasure with the decision of the Government of Turkey in rescinding its ban on the growing of opium poppies.

The Turkish Government's apparent insensitivity to the international problem of drug addiction is indeed shocking and our Government—both the legislative and executive branches—must make every effort to protest this outrageous action. The decree of the Turkish Government has granted permission for opium poppy cultivation in seven provinces "in order to improve the living conditions of the farmers whose livelihood depends on [poppy] cultivation" and to "meet the requirements of raw materials for pharmaceuticals," presumably codeine and morphine.

It is unthinkable that the Turkish Government is more concerned with the economic plight of its farmers than the human misery inflicted upon hundreds of thousands of young people everywhere due to narcotics addiction.

In June 1970, I was the first Member of Congress to introduce a measure authorizing the President of the United States to cut off foreign aid to any country which did not cooperate with us in curbing the international traffic in hard drugs. I was very gratified when this provision was included in the Foreign Assistance Act which became law on February 7, 1972. We must now seek to insure that Congress action in approving this legislation was not a futile gesture.

It must be emphasized that as a result of Turkey's earlier ban on opium production, there is virtually a dearth of heroin on the streets of our cities in the Eastern United States. This unavailability of hard drugs has substantially alleviated the problem of heroin addiction in our cities, but the decision of the Turkish Government to rescind its ban will certainly reverse that situation.

In commenting on the fact that Turkey was considering a rescission of its ban, John R. Bartels, Jr., Administrator, Drug Enforcement Administration, indicated to a congressional committee on March 12, 1974:

That would be a serious step backward and raise a serious hazard that we would be right back where we were in 1969. . . .

They are now arguing that that poses an unfair economic burden on their farmers despite our agreement to pay them \$35 million. They are threatening to go back into legal production.

We oppose that because traditionally what happens when they have gone back into legal production is that an unknown percentage, estimated to be between 50 and 75 percent of it, gets deep sixed and goes into illicit traffic. It is especially vulnerable from Turkey as opposed to other countries where it is legal because of the connection between the French Corsican, who has dominated this transportation and refining process, and the Turks. We oppose that vehemently because the illicit diversion from the legal traffic in Turkey is in and of itself sufficient to satisfy the entire national heroin needs here.

Consequently, it is quite evident that Turkey's decision will have a tragic impact on our efforts to stem the drug problem. As a result, I have today introduced, along with the Honorable CHARLES B. RANGEL, a concurrent resolution urging the President to immediately terminate foreign assistance to the Government of Turkey. I might add that Congressman RANGEL has been instrumental in focusing the attention of the American public on the disastrous consequences which would flow from a resumption of Turkish opium poppy production. In fact, Congressman RANGEL, as a member of the Judiciary Committee, traveled to Turkey in March of this year to obtain a first-hand look at the situation there.

In adopting my provision in 1971 authorizing the President to terminate foreign aid, the Congress did not intend that it would be used solely as a diplomatic tool in the negotiating process.

In this regard, when this provision was considered on the floor of the House on August 3, 1971, I stated that "passage of this legislation and its effective implementation will substantially reduce the amount of human misery and degradation caused by heroin addiction."

The time has come for the effective implementation of that legislation. Therefore, this resolution urges the President to utilize the ultimate sanction of immediately suspending economic and military assistance to the Government of Turkey.

I have long maintained that the serious problem of drug addiction must be attacked at its source—by eliminating the illicit production and distribution of opium. I believe that this is the most practical and effective method of curbing the international trafficking in heroin and it is my firm conviction that this pervasive problem must be approached on all fronts, both national and international.

Hopefully, the resolution that we have introduced today will serve to advance that objective. At the same time it will convince all opium-producing and uncooperative countries that our Government will no longer tolerate their vicious exploitation of America's youth. Prompt approval of this resolution by the Congress and its effectuation by the President is urgently needed in order to demonstrate our deep concern over Turkey's indifference to the truly international problem of heroin addiction.

I wish to insert at this point in the RECORD a translated copy of the text of the Turkish decree on opium poppy cultivation:

[Decree No. 7/8522, dated July 1, 1974]

DECISION ON THE ISSUANCE OF PERMISSION FOR THE CULTIVATION OF THE OPIUM POPPY IN SEVEN PROVINCES DURING THE 1974-1975 SEASON

Article 1—Permission has been granted for opium poppy cultivation and the production of raw opium during the 1974-75 season in the provinces of Afyon, Burdur, Denizli, Isparta, Kutahya and Usak and in the districts of Aksehir, Beysehir, Doganhisar and Ilgin in Konya province, in order to improve the living conditions of the farmers whose livelihood depends on this cultivation and to meet the requirements of raw material for pharmaceuticals.

Article 2—The Soil Products Office (TMO) shall issue licenses permitting cultivation to the opium poppy farmers and raw opium producers of the provinces and districts listed in Article 1 in accordance with the principles of Law No. 1470 and the regulation on the enforcement of this law.

Article 3—The farmers who have been issued licenses permitting cultivation are obligated to comply fully with the provisions of the law and the regulation in question on opium poppy cultivation and raw opium production. The penal provisions of Law No. 1470 and other related laws shall be enforced against the farmers who do not comply with these provisions and the licenses permitting cultivation issued to them shall be cancelled.

Article 4—Priority in issuing licenses permitting opium poppy cultivation and raw opium production shall be given for the lands traditionally set aside for such farming and production and also to the farmers who depend for their income solely on this activity. Each farmer shall be issued a cultivation license for a maximum 5 decades.

Article 5—The Soil Products Office is authorized to make advance payments to the opium poppy farmers and raw opium producers in cases of necessity and within the limits of their needs.

Article 6—Opium poppy farmers and raw opium production are banned in the provinces and districts outside of those listed in Article 1. Opium poppy cultivation shall be controlled with the cooperation of the Ministries of Interior and Food, Agriculture and Livestock by using all available means. Additional measures shall be taken rapidly to assist the Ministry of Interior in its efforts to impose a more effective control for the prevention of narcotic drugs smuggling.

Article 7—Paragraph 2 of Article 2 of Council of Ministers Decree No. 7/2652 of June 29, 1971, concerning the total ban of opium poppy cultivation and raw opium production in Turkey is hereby repealed.

Article 8—This decree takes effect on the date of its publication.

Article 9—This decree will be enforced by the Ministries of Interior, Commerce, and Food, Agriculture and Livestock."

CBS TELEVISION NETWORK TO CARRY PROGRAM ON PANAMA CANAL ON SUNDAY, JULY 7, AT 9:30 P.M. (EDT)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, one of the major subjects now before the Nation and the Congress is the future sovereign control of the Canal Zone and the major modernization of the Panama Canal, for which legislation is now pending.

Next Sunday, July 7, at 9:30 p.m. over the CBS Television Network, channel 9 in Washington, D.C., there will be an hour program on the Panama Canal in which my colleague from Massachusetts (Mr. HARRINGTON) and I will be participants. The CBS program is officially titled 60 Minutes.

The time, 9:30 p.m., is a new time for the 60 Minutes program. Heretofore, it was shown from 6 to 7 p.m. EDT.

Because of the significance of this program in connection with treaty negotiations now in progress, it is hoped that as many Members of the Congress and their staffs as possible will listen to it.

WAIVER OF EXCLUSION OR DEPORTATION OF ALIENS IN MISDEMEANOR MARIJUANA CASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, I am today introducing legislation to bring the Immigration and Nationality Act into conformity with the Comprehensive Drug Abuse Prevention Act of 1970 regarding the treatment of persons convicted of misdemeanor possession or distribution of marijuanna.

Under Federal narcotics law, a first offender convicted for the possession or distribution of a small amount of marijuanna may, under certain circumstances, be discharged from custody and have the record of his brush with the law wiped clean. On the other hand, the Immigration and Nationality Act operates with excessive and outdated harshness by requiring the deportation or exclusion of an alien so convicted.

The legislation I am proposing offers, I believe, a more humane and modern alternative. It would give the Attorney General of the United States the authority to establish a procedure by which aliens, convicted of misdemeanor marijuanna offenses, could have the deportation or exclusion provisions of the Immigration and Nationality Act waived.

There are several safeguards associated with the waiver provision I am proposing. First, deportation or exclusion of individuals who have been convicted of offenses related to the sale of drugs or to the possession of hard drugs or large quantities of drugs would still be required. Second, in any case where an alien seeks the benefit of the waiver provision of the act, a hearing must first be held after notice to interested parties. The hearing procedure would assure that if reasons exist for the Department not to issue the waiver they would be brought out before the visa is accepted. And finally, the Attorney General would be able to restrict or otherwise condition the waiver on terms he deems fit so that the interests of society would best be served.

I sincerely believe that the time has come to amend this harsh provision of the Immigration and Nationality Act so that it may accurately reflect the attitude of today's world.

Included herewith for reference is the text of the bill:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 212(a)(23) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(23)) is amended by striking the semicolon at the end thereof and inserting: ", except that in the case of any alien (A) to whom the provisions of this paragraph apply by reason of his conviction for the possession of marijuanna or for distribution of a small amount of marijuanna for no renumeration, and (B) who is otherwise admissible into the United States, the Attorney General, after a hearing and under such terms, conditions, and procedures as he prescribes, may receive such alien's application for a visa and consent to his admission into the United States;".

Sec. 2. Section 241(b) of the Immigration

and Nationality Act (8 U.S.C. 1251(b)) is amended to read:

"(b) (1) The provisions of subsection (a) (4) of this section, respecting to the deportation of an alien convicted of a crime or crimes, shall not apply (1) in the case of any alien who has, subsequent to such conviction, been granted a full and unconditional pardon by the President of the United States or by the Governor of any of the several States, or (2) if the court sentencing such alien for such crimes shall make, at the time of first imposing judgment or passing sentence or within thirty days thereafter, a recommendation to the Attorney General that such alien not be deported, due notice having been given prior to making such recommendation to representatives of the interested State, the Service, and prosecution authorities, who shall be granted an opportunity to make representations in the matter. The provisions of this subsection shall not apply in the case of any alien who is charged with being deportable from the United States under subsection (a) (11) of this section, except an alien who is deportable by reason of his conviction for possession of marihuana or for distribution of a small amount of marihuana for no renumeration.

"(2) The Attorney General, after a hearing and under such terms, conditions, and procedures as he may prescribe, may waive deportation of an alien to whom such provisions apply by reason of his conviction for the possession of marihuana or for distribution of a small amount of marihuana for no renumeration."

SEC. 3. Section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)) is amended by inserting the following new paragraph after paragraph (40):

"(41) The term "marihuana" shall have the same meaning as contained in section 102(15) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802(15))."

BACK TO THE SOIL MOVEMENT

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 subject of food shortages and high prices of food is being discussed by a concerned public I thought it would be time to include in the CONGRESSIONAL RECORD two editorials that appeared in two outstanding newspapers, the Boston Globe and the Wall Street Journal, today. While they do not come out and endorse my legislation they do a public service by focusing attention on this matter they bring to the public's attention the fact that legislation is under consideration that will encourage a "back to the soil movement."

I wish to commend both newspapers for their editorials and express the wish that they continue to place the spotlight on the coming food shortages that are predicted and the rising prices of food. As for the editorial in the Boston Globe entitled "Seeds, \$40 a pound." I can understand why they mentioned this price because from the editorial they referred to the retail price of seeds. I do not complain about this assessment because based on the past practices of the Department of Agriculture they more than likely would pay the retail price rather than the wholesale price.

However, I expect that the purchase of seeds by the Department of Agricul-

ture would be done by awarding the purchase to the lowest bidder. It is my understanding after talking to many business men who sell seeds that they enjoy at least a 40 percent markup and from the prices quoted in the Boston Globe it is very apparent that markups higher than 100 percent is enjoyed by some.

Even seeds are being priced out of the reach of the average person which indicates to me that Congress should be looking into the entire subject of hunger, food shortages and escalating prices before conditions worsen.

I include the two editorials at this point:

[From the Boston Globe, July 2, 1974]

SEEDS, \$40 A POUND

Congressman Jimmy Burke of Milton, the gardener's friend, is trying to get the government to allot \$6 million for seeds, to be given to anyone who asks.

There are oldsters who seem to remember that in some distant era congressmen had free seeds for distribution anyway. If they did, it was in a time before the price of humble vegetable seeds reached its present level.

As of now, Congressman Burke probably knows \$6 million won't buy as many seeds as one might think.

Take the price list in the catalogue of what seems to be a first rate dealer.

Consider that a package of cucumber seeds, advertised to contain 30 seeds, is sold for 50 cents. With fair luck, those 30 seeds should produce enough cucumbers to feed Brockton.

However, one ounce of these same cucumber seeds goes for \$5.75. If the home-grown arithmetic is right, that figures out to \$92 a pound. And if anyone ever noticed, the inside of a cucumber contains a vast number of seeds.

Beet seeds come to \$40 a pound. Mr. Burke's \$6 million would buy 150,000 pounds of these. With that many beet seeds one could probably plant Rhode Island from end to end, but there would go the whole \$6 million.

Lettuce seeds at \$13 a pound aren't bad. Green bean seeds at \$2.25 a pound seem like a bargain. Carrot seeds at \$16 a pound make a person wonder how much he likes carrots.

The moral probably is that a gardener had better stick to the 50-cent package and not think how much he'd be paying for a pound which he doesn't want and can't use.

As for Congressman Burke, good luck in his effort, even if \$6 million wouldn't go very far. Maybe if he put his request in a military appropriation bill he could get \$600 million.

[From the Wall Street Journal, July 2, 1974]

FOOD AND FANCY

A city politician thinks he may have found a way to encourage agricultural output and hold down food prices, all without much more than minor cooperation from Congress.

Rep. James Burke, whose Massachusetts congressional district covers the southern suburbs of Boston, wants the House Agriculture Committee to enact a bill to distribute three packets of vegetable seeds to any family that wants them. And he wants the Ways and Means Committee to approve a credit allowing backyard gardeners to subtract up to \$7 on their income tax if they spend up to \$100 on hoes, rakes, spades, pitchforks and the like. This, he says, would give the American family a chance to find out what a real tomato tastes like.

We're all in favor of Congressman Burke's back-to-the-soil movement, for the reason he mentioned and for the many indirect benefits that can come from having to hoe one's own row. But we're not overwhelmed by his argument that home gardeners should

be given "a little nibble at the cake" of farm subsidies.

The federal farm subsidy program has been abused, to be sure, and it would be nice if Mr. Burke's proposals to allow city and suburban folk to share the spoils were only a tongue-in-cheek way of calling attention to the abuse. But the typical political responses to a gravy train is not to trim its schedule but to get it to stop in one's own district. Can anyone doubt that if the Burke proposals go through it will be only a matter of time before Congress is confronted with additional demands that city folk be paid for not growing rutabagas on their verandas or zucchini on their terraces?

It's well and good for suburbanites and city dwellers to enjoy the taste of fresh vegetables. The trick is to accomplish this aim without government programs, which have a way of transforming even the best ideas into lemons.

SENATOR ALAN CRANSTON TELLS THEM—U.S. DEFENSE UNDERMINED BY LOPSIDED OVERSEAS STRENGTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 10 minutes.

Mr. LEGGETT. Mr. Speaker, probably the most common serious mistake made by any nation, including our own, is to enshrine existing policy and to seek to justify and continue it simply because it exists.

We did this for years in Vietnam, and 55,000 Americans paid with their lives.

We are static in Europe today with our NATO presence, and the average American family of four is paying perhaps \$400 per year for the privilege of doing for the Europeans what they could do for themselves but would rather not.

We are also static in Asia, where we have 151,000 military personnel. If these troops were not there, nobody would propose sending them there. But since they are there, somehow it becomes sacrilegious to suggest they be removed—or "uprooted," to use the somewhat dramatic language used on the floor in opposition to the recent troop reduction amendment.

If you ask our military leaders why, for example, we maintain our Air Force in Thailand when it is not needed against China, cannot legally be used against Vietnam, Laos, or Cambodia, and is not intended to be used against insurgents in Thailand itself, we are told, "They are there to maintain our presence." In other words, we want them there because we want them there. You wouldn't expect this reasoning to persuade anyone capable of a positive score on an IQ test, but apparently it does.

One person who is not persuaded is the senior Senator from my own State of California, ALAN CRANSTON. Senator CRANSTON appeared before the House Foreign Affairs Subcommittee on Asian and Pacific Affairs on June 12, and delivered exceptionally articulate and informative testimony in behalf of bringing home and deactivating perhaps 100,000 of our 151,000 land-based troops from Asia.

So that all Members of Congress can consider Senator CRANSTON's reasoning, I insert his remarks in the RECORD at this point:

TESTIMONY OF SENATOR ALAN CRANSTON

I strongly favor withdrawing and deactivating substantial numbers of land-based U.S. troops now stationed in five Asian countries. I am also in favor of phasing out U.S. military aid to South Vietnam, but I do not intend to talk about Indochina today. Instead, I propose to discuss our military posture in the rest of Asia, and then to share with you the general perspectives that lead me to favor a substantial cut in our troop strength there.

U.S. TROOPS IN ASIA

As of March 31, the United States maintained and supported 151,000 military personnel in five Asian countries: South Korea, Japan (including Okinawa), Thailand, the Philippines, and Taiwan.

In addition to those troops, we have the entire Seventh Fleet. As of March 31, 16,000 naval personnel were listed as assigned to the Western Pacific, with 18,000 more deployed in "Other Areas" (not counting Europe). According to the Center for Defense Information, there are eight U.S. naval carrier task forces stationed in the Pacific with 720 aircrafts.

Furthermore, we have 33,000 U.S. military personnel stationed in U.S. territories and possessions. We have bases on Guam, Wake Island, Midway Island, Johnston Island, Micronesia, and, of course, our own state of Hawaii.

All told, the Center for Defense Information reports that the United States spends about \$20 billion a year to prepare for the possibility of war in Asia and the Pacific. This figure includes the cost of troops based in the U.S. but earmarked for an Asian conflict. About 29 percent of our active-duty manpower, or 650,000 men, are geared toward Asia.

I favor a general reduction in this presence, and I think the place to begin is with those 151,000 land-based troops. As long as we maintain our naval forces and our troops in U.S. territories and possessions, we will have a forward-based, highly mobile force poised for any contingency. Sooner or later we may want to consider withdrawing these forces, too. But for the time being, we should simply concentrate on forces based in foreign countries. I by no means favor a precipitous withdrawal from the entire area.

Let me now turn to the countries where cuts are in order.

KOREA

This fiscal year, we are spending \$619 million to maintain troops in Korea.

As of March 31, 1974, the United States had 38,000 military personnel in South Korea at over 40 military facilities. Over 30,000 are Army personnel; the rest are Air Force.

It is hardly a "lean, tough fighting force." Our Korea contingent includes no less than 18 generals and admirals. No less than 1,113 men staff the Eighth Army headquarters, including 12 generals. Whereas normally a field army headquarters controls four divisions, this one controls only one. And in that division, numbering 13,000 men, only 7,000 are in combat-related duties. Overall, the Senate Armed Services Committee reports that the U.S. Army in Korea has a combat-support ratio of 37 to 63. Of that 63 percent non-combat force, roughly a quarter is in headquarters and administration.

Here is what a constituent of mine, a Sergeant First Class now stationed in Korea, had to say:

"Each day I have cringed at the waste of manpower and resources with our military forces being stationed here. Daily, I watch servicemen bilked out of their hard-earned money, the prostitutes peddling their wares in droves, the rampant drug problems, and the thriving black market. I see the millions of dollars flow into the hands of local vendors, the hundreds of local national civilians employed supporting the military while Americans at home go unemployed, and the

waste of money supporting a shaky dictatorship.

"Ask any soldier, 'Why are you here?' Few, if any, can find a plausible answer. Why? Because there isn't one."

"Let's bring the troops home. Hire American civilians to support the military units. Spend our money at home, and on our own people. We can still maintain our military posture. I am tired of seeing the U.S. dollars becoming more and more valueless."

"The Korean War ended almost 20 years ago. Isn't it about time we came home?"

According to the International Institute for Strategic Studies, South Korea's army contains 560,000 men to North Korea's 408,000. South Korean army reserves total 1,000,000 to North Korea's 750,000. South Korea's population is more than double the North's. Finally, South Korea has a para-military force, including a local defense militia, of about two millions, whereas the North Korean counterpart numbers about a million and a half.

Defense Department spokesmen have testified before the Senate Armed Services Committee that in the unlikely event of a renewed war between North and South, the South Koreans could handle the ground fighting by themselves.

The only category in which the South Koreans are said to be weaker than the North Koreans is modern fighter aircraft.

But under the terms of a \$1.5 billion, 5-year military agreement to modernize Korea's armed forces, the United States will provide a sufficient number of F5E fighter planes to offset this disadvantage.

There is nothing in our defense treaty with Korea that requires us to station troops there. And we can't kid ourselves about Korean democracy anymore, not since 1972 when President Park dissolved the Assembly, declared martial law, and assumed dictatorial powers.

JAPAN AND OKINAWA

The U.S. will spend \$447 million this fiscal year to maintain 57,000 U.S. military personnel in Japan and Okinawa, including an entire Marine division. The U.S. has 85 bases and military installations in Japan proper, not counting Okinawa. These include six airfields, two naval bases, two bombing ranges, and six ammunition depots. In a country where 103 million people live in an area slightly smaller than the state of California, and where roughly 80 percent of the land cannot be inhabited or cultivated, American bases take up roughly one percent of the total area. Roughly 70 percent of the U.S. bases, and 77 percent of the American personnel were located within 60 miles of Tokyo, especially in the densely populated Kanto plain. American bases are also associated with drugs, a fact that greatly worries local authorities.

Meanwhile, Japan has built up her own military forces. Her so-called "Self-Defense Forces" number a quarter of a million men. Her arsenal already contains T-2 supersonic trainers, C-1 jet transports, diesel-powered submarines, helicopter-carrying destroyers, and anti-submarine aircraft. Her army includes 610 tanks and 130 Hawk missiles, her navy 40 destroyers and 13 submarines, and her air force 490 fighters. Her fourth Five-Year Defense Plan, launched in October 1972, entails an outlay totalling \$15 billion.

Many Japanese officials have said privately that both the United States and Japan would be better off if the U.S. withdrew at least half of its troops.

Such a withdrawal would not force Japan to become a nuclear power, as it is sometimes alleged. Japan's ruling party is largely opposed to the acquisition of nuclear arms and is not seriously expected to change its mind, whether or not the U.S. cuts a substantial number of troops.

Japan is an important and loyal ally whose interests are closely bound up with ours.

It boasts the third largest GNP in the world. Since 1946, the United States has given or lent Japan almost \$4 billion in military and economic aid. This investment has yielded a strong and increasingly self-confident ally.

THAILAND

As of March 31, there were 35,000 U.S. military personnel in Thailand at an operating cost of \$447 million in this fiscal year. Our presence there consists overwhelmingly of Air Force pilots and support personnel poised to resume the bombing of North Vietnam.

The Administration has already announced a cut of 8,000 men by August. A larger bulk of U.S. forces should be withdrawn, including any military personnel involved in domestic counterinsurgency programs in Thailand. There is no present need to keep any bombers in Thailand. Congress has specifically prohibited the renewed bombing of Indochina without Congressional authorization.

THE PHILIPPINES

As of March 31, there were 17,000 U.S. military personnel in the Philippines—an increase of 2,000 within the last year. The U.S. Naval Base at Subic Bay is the largest naval base in a foreign country in the Pacific.

In September 1972, President Marcos instituted martial law and assumed the posts of president and prime minister for as long as he chooses. A Moslem insurrection has been raging in the southern islands for some time.

Our troop presence in the Philippines is not based on any fear that the Philippines will be attacked. Pentagon spokesmen have repeatedly stated that Chinese aggression in the area is highly unlikely. Instead, there are charges that our troop strength is helping to shore up a dictatorial government and to put down a domestic insurgency. A major cut is in order there.

TAIWAN

On March 31, our troop strength in Taiwan numbered 5,000 men. I understand that some 2,000 of these will be withdrawn soon.

In the so-called Shanghai Communique of February 1972, the United States affirmed that an ultimate goal was the withdrawal of all U.S. forces and military installations from Taiwan. In the meantime, the U.S. pledged that it would "progressively reduce its forces and military installations on Taiwan as the tension in the area diminishes." That tension was understood to be Vietnam.

To my great regret, the United States is still heavily subsidizing President Thieu's war-minded regime. But now that our troops have come home, we should carry out our pledge.

DEACTIVATION

I favor deactivation of the troops we bring home.

For a cut of 100,000 men, annual savings amount to some \$1.2 billion. Indirect savings in troop support, military construction, maintenance, logistics, and other back-up functions could amount to as much as \$5 billion more.

In addition, the balance of payments savings associated with such a cutback would be roughly \$800 million a year. Our present overseas posture undermines the dollar by maintaining military dependents abroad, employing thousands of foreign civilians, and enabling military men and their families to spend millions of dollars in foreign countries on foreign goods and services.

Deactivation of 100,000 men will help free money that could be far better spent on domestic needs—or simply left unspent, which, I suppose, is a new but perhaps a refreshing idea.

U.S. COMMITMENTS AND U.S. TROOPS

Opponents of troop cut amendments try to portray the physical presence of each and every U.S. soldier overseas as sacred and inviolable. Each one is seen as a mini-bargaining chip in the grand global scheme of things.

But what good is a "bargaining chip" whose total cost is roughly \$30 billion a year? In Asia, with whom are we bargaining, and for what stakes? It appears that the "bargaining chip" argument is locking us into an obsolete and expensive posture instead of opening up corridors of flexible change.

Besides "bargaining chips" another argument made against overseas troop cuts—implicitly or explicitly—is based on the so-called "trip-wire theory". According to this theory, American troops are supposed to be a human tripwire guaranteeing American involvement should hostilities break out. Rational calculations that might keep us out of a given war will supposedly be swept aside by the sight of American boys bleeding on the battlefield.

I do not believe that the tripwire theory is valid. Nor is it a wise foundation on which to base a decision to go to war. If a conflict breaks out overseas, there may be good reasons for our getting involved, most notably defending an ally from external aggression. But our judgment should not be based on revenge.

From the point of view of the tripwire theorist, a token force would serve equally well. U.S. force levels are not sufficient to meet a full-scale attack. If Japan were the victim of a massive conventional attack, for example, 60,000 troops would hardly be adequate. And in a nuclear attack they wouldn't be of much use either.

The Administration and the Congress need to do some clear thinking about the basic questions underlying the overseas troop issue:

What is the purpose of a foreign policy commitment?

What is the nature of the threat against which that commitment should be measured?

What is the relationship, if any, between that commitment and the number of U.S. troops stationed on foreign soil?

And how does stationing hundreds of thousands of U.S. troops overseas serve our basic national interests? These basic interests, in my view, are:

The defense of the U.S. and our allies against attack;

The avoidance of war, especially nuclear war;

A reduction in the ruinous level of military spending;

The alleviation of global hunger and disease;

The preservation of democratic governments; and

Reasonable access to markets and supplies within a trade and monetary system that is both stable and equitable.

We have the capability of doing a great deal more that is very dubious. We can intervene in other people's civil wars; we can ship weapons to foreign armies in an unending stream, we can carry out covert counterinsurgency programs when revolution rears its head, and we can continue to ship bundles of money overseas—\$200 billion in economic and military aid to East Asia and the Pacific alone since 1946.

But it is unreasonable to expect the men and women of the U.S. armed forces, and the taxpayers who support them, to enter into or perpetuate alleged "commitments" that depart from the basic thrust of national goals.

The dangers of outright aggression against our allies can by no means be dismissed, but it is certainly less likely now than it was in the late 1940's and 1950's when we began to station so many troops in foreign lands.

A more common threat comes from within: the threat of revolutionary violence directed against existing governments. We should commit ourselves to a realistic, practical foreign policy, doing only what is possible. In that same vein, we should help only those

governments that are making a reasonable effort to correct the conditions that gave rise to violence in the first place: economic injustices, poverty, discrimination, corruption, and severe inflation, to name a few.

There are also serious non-violent threats to a stable and peaceful world: recessions, inflation, speculation, trade wars, and unemployment. These in turn can breed an atmosphere of apathy, disillusionment, and despair.

I make these points because they should be part of a meaningful debate on troop cuts. We should not measure the value of our military presence overseas solely in terms of the survival of a particular government—be it the Park dictatorship in Korea or the Marcos regime in the Philippines. And yet that seems to be the essence of the much-vaunted Nixon Doctrine: shore up friendly governments, even if they are repressive dictatorships, by all means possible, including all military means except a land invasion. The Doctrine may spare American lives, but it does not bring us much closer to global peace and true stability.

Senator Stuart Symington of Missouri, a highly respected member of the Senate Armed Services and Foreign Relations Committees, has often stated that our national security rests on three factors:

First, the strength of our institutions;

Second, the soundness of the dollar and our economy; and

Third, the certainty that we can overwhelmingly retaliate against any enemy that might attack us.

The first of these factors, the strength of our institutions, has been brought into question because of recent shattering events in our history.

The second, the soundness of the dollar and our economy, has been weakened by two dollar devaluations and by serious inflation. The high level of overseas military spending has substantially contributed to this erosion.

The third, America's retaliatory capacity, has been undermined by the suspicion—shared by many—that our military budget is too high. When critics of this high level of spending see that it is impossible to cut down on overseas military spending, then they strike at other, more crucial parts of that budget.

Finally, I would like to point out, that American jobs are at stake. By employing some 150,000 foreign nationals, and by supplying income for foreign businesses around those bases, we contribute to further unemployment at home. Yet the Administration, for reasons of its own, has decided to shut down a number of domestic bases in the U.S. instead.

STATE LOTTERIES' TAX STATUS NEEDS CLARIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BARRETT) is recognized for 10 minutes.

Mr. BARRETT. Mr. Speaker, as the States face greater and greater demands on their financial resources to meet the needs of their citizens, they seek and develop novel sources of obtaining revenues. In the past several years a number of States have adopted State lotteries as a source of revenue rather than increasing the tax burden on their taxpayers through the more conventional methods. As the popularity of this approach for revenue has increased, the resultant income to the States has declined below initial figures and estimates. Nevertheless, it has been an income producer of great value.

The Internal Revenue Service is now considering an excise tax on the gross receipts of these State lotteries. The effect, needless to say, would be disruptive and deprive the many States using lotteries of much-needed revenues. The IRS is even planning to make this tax retroactive, to further complicate the situation.

At a time when there is growing emphasis on State expansion of services and a shift away from Federal supply of services, the IRS proposal would create unnecessary and undesirable consequences. The cost to Pennsylvania alone would be from \$16 million plus to \$31 million plus depending on the retroactive application of the excise tax.

In Pennsylvania the revenue received by the State from the lottery is used to finance a variety of much-needed programs, such as assistance to senior citizens, including property tax relief, rent assistance, and transit subsidies. Without this specific service of funding, it is doubtful whether these programs would be funded.

Mr. Speaker, legislation is necessary to exclude State lottery revenues from the 10-percent excise tax and to prohibit the retroactive imposition of this tax. I am aware that the Ways and Means Committee is presently considering a variety of tax reform proposals. However, there is an urgent need for clarification of this issue for both the IRS and the States involved.

I sincerely hope that the chairman of the Ways and Means Committee will consider such legislation separately from the other tax proposals before the committee and expedite its consideration in order to obtain passage before the IRS ruling goes into effect.

THE TURKISH OPIUM DECISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RANGEL) is recognized for 10 minutes.

Mr. RANGEL. Mr. Speaker, yesterday's decision by the Government of Turkey marked a sad milestone in our efforts and those of the international community to eradicate the insidious heroin menace to our societies. I am afraid that this will surely mean a resurgence of the now infamous French Connection, which once fed the captured veins of thousands of young Americans black, brown, and white—in the Harleys of America and the affluent suburbs. This Congress cannot acquiesce and let such a decision go unanswered. We must not let our responsibility for the health, welfare, and safety of our society be overshadowed by the current events of Watergate and grandstand summity. We cannot continue to financially buttress a government that blatantly disregards the welfare of the American people, disregards the agreement we negotiated in 1971, and disregards the wisdom of the international community. This Congress must act now to pass a resolution voicing its sense of outrage over this clear violation of humanitarian principles, and this unilateral decision to resume the growing of opium poppies that become heroin which eventually enters the veins of our children.

Mr. Speaker, you will recall, in 1971 the President of the United States declared that the drug problem in our Nation had assumed the proportion of a national emergency and that heroin addiction was the most difficult illicit drug to control and the most socially destructive form of addiction. At that time, it was estimated that between 500,000 and 700,000 persons in this country were addicted to heroin, and that 80 percent of this heroin originated from the Turkish opium poppy. A key part of our strategy to combat this menace to our society was to reduce the availability of heroin by eliminating the source. The President, with the support of the Congress, successfully convinced the Government of Turkey to impose a ban on opium production. In return, we pledged \$35.7 million to compensate losses accrued to the Turkish farmers and to assist in developing alternative crops.

Today, Mr. Speaker, we are just beginning to realize the fruits of this action. There has been a dramatic decrease in the quantity and quality of heroin on the streets of America, and a corresponding decrease in the number of heroin addicts. On the streets of New York, the purity of a bag of heroin has declined from 7.7 percent to 3.7 percent. The Drug Enforcement Administration reports a reduction of the estimated number of heroin addicts by more than 60 percent. Correspondingly, the number of heroin overdose deaths and criminal activity has shown a marked decrease. All this progress can be related to the cessation of opium production in Turkey. Therefore, the resumption of opium production in Turkey poses a serious threat to the health and safety of our communities.

I understand, Mr. Speaker, that yesterday's decision by the Turkish Council of Ministers was said to be based on the needs of 90,000 Turkish poppy farmers and the need of the American pharmaceutical industry for morphine-based drugs. First of all, we recognized the potential hardships that might occur to the Turkish farmers. We made available \$36 million to compensate the farmers and to help them transfer to alternative crops. Over \$20 million of that \$36 million has already been provided and the Turkish Government has not yet requested the remainder. Since the average farmer realized only \$50 per year from the legal sale of opium gum, the amount of U.S. funds provided should have more than compensated for their losses.

Second, with respect to the claimed shortages of legitimate opium, I have initiated a study by GAO into this matter. Preliminary findings indicate that various technologies could provide alternative processes for synthetic substitutes to satisfy any predicted shortfall without increasing worldwide opium production and risking a windfall to the illicit market.

Mr. Speaker, as you may recall, on May 9 of this year I introduced a concurrent resolution which urges the President to enter into serious negotiations with the Turkish Government to prevent revocation of the ban, and further urges the exercise of his authority to cut off aid to that country if the negotiations

failed. This legislation now enjoys the cosponsorship of over half of the House and a significant number of Senators. This should have been a clear warning to the Turkish Government of the degree of concern the Congress places on this important matter. Obviously this had no effect on the Turkish Government's deliberations. They chose to disregard this warning, and the decision announced yesterday on Ankara radio leaves the Congress no choice but to escalate its action.

Mr. Speaker, today I joined my distinguished colleague and chairman, PETER RODINO, in sponsoring a new resolution which urges the President to immediately suspend economic and military assistance to Turkey, and to protest the action of the Turkish Government in the United Nations. As you know, Mr. Speaker, Mr. RODINO was instrumental in formulating section 109 of Public Law 92-226, which authorized the President to suspend economic and military assistance to those countries which have failed to take adequate steps to prevent narcotic drugs from entering the United States unlawfully. I wish to commend Chairman RODINO for taking the time from his awesome responsibility as chairman of the Judiciary Committee to sponsor this sense of the Congress resolution in response to the Turkish decision. If only we could have gotten the President and Secretary Kissinger to have taken some time to address this problem as Mr. RODINO has done we might have prevented this unfortunate unilateral decision. I sincerely urge this body to join with Chairman RODINO and me in voicing to the President, to the American people, to the Government of Turkey, and to the world, that the Congress will not continue to hand out hundreds of thousands of taxpayers' dollars to a government that hands out in return suffering, misery, and drug slavery.

MEDAL OF HONOR FOR "CHUCK" YEAGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. HECHLER) is recognized for 30 minutes.

Mr. HECHLER of West Virginia. Mr. Speaker, the entire West Virginia delegation in the House of Representatives, Mr. MOLLOHAN, Mr. SLACK, Mr. STAGGERS, and myself are united in support of legislation to authorize the award of a Medal of Honor to Brig. Gen. Charles E. Yeager, the first man to fly faster than the speed of sound. When "Chuck" Yeager broke the sound barrier on October 14, 1947, those experts who had worked in designing and testing his flimsy plane predicted that the pilot would have only a 50-50 chance of survival. To view this plane, the Bell X-1 or XS-1, now on display at the Smithsonian Institution, one wonders how a human being could squeeze his way into the cockpit and survive the rigors of supersonic flight. Many experts predicted that to exceed the speed of sound would cause the plane to disintegrate.

The text of the legislation (H.R. 15786) which the West Virginia delegation supports and I am introducing today is very

simple, and the complete text of the bill follows:

H.R. 15786

A bill to authorize the President of the United States to present in the name of Congress a Medal of Honor to Brigadier General Charles E. Yeager.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of sections 8741 and 8744 of title 10, United States Code, the President of the United States may present in the name of Congress, a Medal of Honor to Brigadier General Charles E. Yeager, United States Air Force, for displaying heroic courage and skill as a pilot, at the risk of his life, by his flight of the XS-1 research airplane on October 14, 1947, at a speed faster than the speed of sound, demonstrating that manned aircraft could be safely flown through the theretofore thought deadly transonic zone or "sound barrier" and opening the door to a more rapid space exploration program.

JACQUELINE COCHRAN'S LEADERSHIP

Mr. Speaker, I am grateful to Jacqueline Cochran—Mrs. Floyd B. Odlum—for her great leadership on behalf of this idea whose time has come. This world-famous aviatrix, who has devoted so much of her time and talent on behalf of others, expressed to me an interest in correcting what is both an oversight and an injustice in neglecting to honor one of aviation's alltime great heroes. Miss Cochran in 1934 was the first woman to fly in the Bendix transcontinental race. In 1953, she became the first woman to break the sound barrier, flying a Sabre jet F-86, and in 1964 flew at more than twice the speed of sound. She headed the woman pilot training program in the Army Air Force during World War II, and has won numerous trophies, medals, and honors for her flying talent and leadership.

ADDITIONAL SPONSORS OF H.R. 15786

Mr. Speaker, a number of Members of Congress of both parties have indicated their enthusiastic support for the legislation which I have introduced. As a matter of fact, if the House rules permitted, there would today be many cosponsors of H.R. 15786. I urge my colleagues to introduce separate bills identical or comparable to H.R. 15786, since it is not possible under the House rules to list cosponsors of private bills. I hope that many of my colleagues will introduce comparable legislation to indicate the widespread support for awarding a Medal of Honor to General Yeager for risking his life on behalf of the Nation.

PURPOSE OF THE LEGISLATION

The purpose of this legislation is to make an exception to sections 8741 and 8744 of title 10, United States Code, by authorizing the award of the Medal of Honor to Brig. Gen. Charles E. Yeager for his accomplishment with the XS-1 research airplane—the first man in the world to fly an aircraft faster than the speed of sound, a feat considered by many scientists of that time to be impossible. The forces exerted upon an aircraft at and beyond 1.0 mach were believed to be of sufficient magnitude to tear an aircraft apart—and there was evidence of that happening. However, General—then captain—Charles Yeager, in a time frame of less than 4 months,

with only normal military pay and allowances as compensation, but a lot of confidence and determination, proved that a manned aircraft could safely be flown at supersonic speeds. His professional knowledge, courage, and indomitable spirit overcame the high risk involved and the apprehension of others—factors which had delayed the realization of supersonic flight.

BACKGROUND

Mr. Speaker, since the historic flight by the Wright Brothers opened the heavier-than-air flying machine era, aeronautical engineers continued to develop aircraft that would fly ever faster, farther, and higher than any previous type or model. However, by the end of World War II, aviation progress had reached an insurmountable impasse—the “sonic barrier”—a phenomenon in which, as an aircraft approached the speed of sound, the pilot would experience severe vibration, loss of aileron, and other control surfaces, eventually resulting in disintegration of the plane. The sonic barrier was genuine cause for fear; the renowned British test pilot, Geoffrey R. deHavilland, was killed September 1946, while attempting to better a speed record of 615.778 miles per hour in a DH-108. Analysis indicated the plane had been ripped apart—a victim of compressibility. The United States had discovered the compressibility problem during early flights of the P-38—pilots found that the plane would pick up speed rapidly in a dive, it would then begin to buffet and shudder, and the control column would freeze. At times there would be a mysterious recovery at lower, denser altitudes; however, often planes would dive until they broke to pieces. Lockheed engineers had predicted these problems at speeds near and above 500 miles per hour. This was eventually remedied for the P-38 by installation of dive flaps, which allowed the plane to dive at over mach 0.7—mach 1 equals approximately 760 miles per hour; that is, the speed of sound at sea level—with a 7½ pullout. However, this did not solve the problem of safely flying an airplane in the transonic range—between mach 0.8 and 1.2.

Although wind tunnels were capable of achieving wind velocities well beyond mach 1.2, they were of the closed-throat type and, as the airflow approached the speed of sound, shock waves would reflect from the model off the tunnel walls, inhibiting accurate measurement of flow characteristics and behavior around the model—actual manned test flights were necessary to explore the transonic region. Even the wind tunnel engineers advocated the development of a research manned airplane to explore this zone. However, this lack of data relative to taking an airplane through the sound barrier, and the great number of pilots killed from compressibility, caused many noted scientists to openly advocate that man could never fly an airplane through this deadly region. In fact, the deHavilland accident set the British aircraft industry back for years.

BELL AIRCRAFT DESIGNED PLANE

Early in 1944, representatives of the Army, Navy, and National Advisory Committee for Aeronautics—NACA—began

meetings with a view toward development of a research airplane capable of exploring the transonic and supersonic regions while in level flight. From these meetings, the Army Air Force—AAF—signed with Bell Aircraft to design such an aircraft. With no concrete knowledge available of transonic efforts, the Bell engineers concluded that the basic fuselage design would follow that of a 50-caliber bullet—ballistic tests had shown the ogival shape of the 50-caliber produced the most stable design. Hence, the resulting shape of the XS-1 fuselage—attachment 3, page 2. Also, because of fear of the unknown in the transonic range, NACA and the AAF asked for an airplane designed for an 18g ultimate load factor—more than twice the load for production fighter aircraft. This was to insure the plane would hold together during the turbulent passage from subsonic to supersonic flight—again, showing the concern relative to the expected violent force in this zone. Although a thick wing—about 12 percent thickness-chord ratio—would attain the critical mach number more quickly and create transonic flow, Robert Gilruth of NACA, had found that thick wings lost lift in the transonic region, while thin wings retained lift. It was ultimately decided to have an XS-1 with a 10-percent wing and another with an 8-percent wing—both would be tested. Also, to achieve maximum speed with the smallest possible load of fuel on board, a rocket engine was selected instead of a turbojet.

Another innovation in the design of the XS-1 was a pilot controlled, all-moving stabilizer. This was expected to provide adequate longitudinal control during the transonic flight. Also, this horizontal stabilizer was to be thinner than the wing—both control surfaces would, therefore, not be affected by compressibility at the same time. To keep the fuselage airframe design as near the bullet as possible, a normal canopy was eliminated. Hence, a cockpit canopy was mounted flush with the ogival surface of the nose.

With the eventual thought of ground takeoff, it was decided to incorporate a retractable landing gear, even though initial launches were to be from an airborne mother plane. An air launch would save space and weight in the XS-1 for the rocket propellant needed to attain the desired 35,000-foot plus test altitude.

It was originally intended that the XS-1 would have a turbine driven fuel pump to feed an extremely dangerous combination of propellants—liquid oxygen at 300 degrees below zero Fahrenheit, and alcohol, diluted with water—to the rocket engine. However, early in 1945, as Bell was completing all aspects of the XS-1 design, they learned that the turbopump would be delayed, so rather than delay the entire project, they elected to install a pressurized fuel system—a much more dangerous situation, because high pressure nitrogen would be used to force the propellants into the engine. This nitrogen gas was stored in 12 spherical tanks at 4,500 per square inch and the two fuel tanks would be spherical and heavier than under the pump system. As a sidelight, the cockpit was pressurized with pure nitrogen gas. This

made it necessary for the pilot to breathe 100 percent oxygen at all times.

Overall, in conformance with AAF desires, the design of the XS-1 research aircraft was kept as simple as possible—straight wing, conventional tail, et cetera—to provide research information applicable to conventional type aircraft.

By late 1945, Bell had completed the airframe of the first XS-1 and had received from the Army a Boeing B-29A Superfortress to use as a launch aircraft.

SUPersonic FLIGHT OF THE X-1

The first XS-1 was utilized for glide flights without the rocket engine aboard. There were 10 flights in Florida during the first 3 months of 1946 to permit the Bell-designated test pilot, Jack Woolams, to become familiar with handling characteristics of the airframe and also to establish that launch mechanisms and procedures were operable. With the death of Woolams in a racing type aircraft in August 1946, Bell test pilot, Chalmers H. “Slick” Goodlin became the XS-1 test pilot. Bell continued testing the XS-1 through powered flights conducted at Muroc AAB in California—its huge, dry lakebed offered the best possible landing site. The schedule of 20 powered flights was by contract designed to demonstrate structural strength and gather system reliability. This contract did not, however, call for flying the X-1 supersonic and, because of what was considered excessive fees being asked by the Bell test pilot to fly the plane supersonic, and time delays in the program, the XS-1 project was taken over by the AAF. The Flight Test Division at Wright Field was assigned prime responsibility for the program and was to work jointly with NACA to explore the transonic region and eventually take the plane to supersonic speeds. The Air Force had an engineer on loan from Bell Aircraft to assist in the test. A number of the NACA scientists believed that no airplane could successfully fly through the transonic region—no doubt a factor in NACA issuing travel orders effective for only 3 months to their initial team going to Muroc.

SELECTION OF YEAGER AS PILOT

With the AAF assumption of the X-1 project, it fell to the Air Materiel Command's Flight Test Division commander to select the Air Force test pilot for the program. He turned to the 125 test pilots in the Flight Test Division and asked for volunteers—a number did volunteer. Each volunteer was informed of the extremely high risk involved. As expressed earlier, many scientists believed that when the speed of sound was exceeded, the shock wave would be so severe that the airplane would become uncontrollable and break up in flight. From these volunteers, General—then colonel—Al Boyd and his deputy, General—then colonel—Fred Ascani, selected General—then captain—Yeager as the primary pilot with Lt. Robert Hoover as backup pilot and Capt. Jack L. Ridley as project engineer. All were test pilots and Ridley held a master's degree in engineering. Yeager was selected because of his exceptional ability to perform tests, follow instructions, flying skill, and primarily, his stability under all types of conditions.

Attachment 2 is a biography pertaining to General Yeager which amplifies that his selection as the X-1 test pilot was well founded and that throughout his career he continued to accomplish the unusual and, often, even the seemingly impossible.

The AAF test team, once selected, spent a short time at the Bell plant in Buffalo for familiarization. They then went to Muroc—arriving July 27, 1947—1 day after President Harry Truman signed the National Security Act of 1947 creating a separate Department of the Air Force. Along with the individual pride of those involved, it was important that the test team succeed, because this was the first time a military crew was involved in a research program. Success now became doubly important to prove the capability and potentiality of the new military service.

The first few days at Muroc were spent with Mr. Frost—the Bell engineer—briefing the Air Force crew on the airplane systems and the intricacies of air launch. From the pilot's standpoint, the air launch was definitely not an easy task. The XS-1 was carried aloft in the belly of a B-29; however, because of the size and the wings, it could not be fully inside the bomb bay. Therefore, the XS-1 pilot was required to descend on an extendable ladder into the slipstream—attachment 3, page 5, shows the XS-1 affixed to the B-29—and then work his way through the very small side opening into the cockpit—all this at approximately 10,000 feet with a seat-type parachute strapped on. Also, once inside the cockpit, he was literally “sealed in”—the door was on the side of the aircraft and locked in a similar fashion as a bank vault door. There was no ejection seat. The pilot could jettison the door; however, an attempt to crawl out that small door opening would, no doubt, have resulted in death as the pilot would be slammed back into the leading edge of the wing or the tail structure. In the first flights of the XS-1, Yeager wore only the World War II leather cap and old GI flying clothes of World War II vintage. Yeager later, in the X-1 series aircraft, helped to develop and test pressure suits and protective helmets. After the pilot of the XS-1 was “comfortably” seated in the small airplane, he put on his oxygen mask, strapped himself in, insured that all systems were in order, and awaited the drop at about 25,000 feet. During this period, the pilot was in an extremely dangerous situation because, until release from the launch ship, the liquid oxygen was continually building up pressure and had to be vented. Also, the climbing speed of the B-29 was 180 miles per hour and the stalling speed of the XS-1 was 240 miles per hour. Any accidental drop of the XS-1 would have resulted in it going into a fatal spin.

FIRST GLIDE FLIGHT

Yeager performed his first glide flight—no fuel on board—on August 6, 1947. He found the airplane handled extremely well as he maneuvered back to the dry lakebed. After three glide flights, they were ready for the first powered flight of “Glamorous Glinn”—the name Yeager had painted on his wartime fighters in honor of his wife. Yeager's first powered

flight was on August 29, 1947. Instructions had been issued that they were not to exceed 0.82 mach, unless buffeting and control difficulties were not encountered, then they could go to 0.83 or 0.84; however, because all felt so well and the plane performed so well, Yeager achieved 0.85 mach. Colonel Boyd cautioned the team that safety was paramount and the team would proceed on their research flying—increasing the mach in increments of about 0.04 mach number with each flight.

It must be remembered that instrument recording and telemetry were a long way from the sophistication we know today. NACA six-channel telemeter was used to obtain: airspeed and altitude, elevator position, normal acceleration, stabilizer position, aileron position, and elevator stick force. Internally, there were four strain gages and airspeed and altitude were recorded inside the airplane.

The flights continued with various mechanical problems arising, causing delays at times, or requiring that a particular flight be reaccomplished to obtain necessary data. Also, fires occurred in the aft section on a number of flights. Fire was of extreme concern, because of the pressurized liquid oxygen system on board; however, Yeager, fully aware of the explosiveness of each situation, coolly watched the aircraft gages and successfully brought the aircraft down with only damage to the engine area. Despite these handicaps, they incrementally kept closing in on their goal of mach 1.0. One major problem occurred at 0.94 mach number. As the XS-1 approached this speed, complete elevator control was lost. This was caused by the shock wave which had formed on the horizontal stabilizer, moving back to the hinge point of the elevator as speed increased. The XS-1 had been designed with a trimable stabilizer, which, up to this time, had never been used in flight. On the next flight, the XS-1 was accelerated to 0.85 mach and the stabilizer angle was changed to test its effectiveness. It proved very effective. The XS-1 was again taken to 0.94 mach, where elevator effectiveness was lost and the stabilizer angle changed. It also proved effective at this speed, which assured Yeager that if the XS-1 pitched up or down, he could still control it with the stabilizer, although he had lost his elevator effectiveness. Then, on October 10, 1947, the XS-1 was launched from the B-29 and Yeager fired the four chambers of the rocket engine with a climb to 38,000 feet and then a shutdown of the engine cylinder by cylinder. He dropped some 2,000 feet and re-ignited two of the cylinders with a climb back to 40,000 feet when the fuel ran out—he then coasted to 45,000 feet. He had reached an indicated mach of 0.96. Corrections in readings later indicated the plane may have been near the speed of sound on that flight; however, to be certain, the crew would try on the next flight for readings that even, with corrections, would leave no questions.

BREAKING THE SOUND BARRIER

On October 14, 1947, the XS-1 was again readied for flight. At 10:26 a.m., the XS-1 was dropped from the B-29 at a pressure altitude of 20,000 feet and indicated airspeed of 250 miles per hour.

Through sequential firing of the cylinders to obtain maximum effect from the combined 6,000 pounds of thrust, Yeager pushed the speed upward. He began to level off around 40,000 feet and the speed was allowed to increase on to 0.96 indicated mach number. At this point, the indicated mach number hesitated and then jumped to 1.05 as the shock wave passed across the static source. The buffeting ceased as supersonic air flow engulfed the entire airplane. The “sound barrier” had at last been broken by a manned airplane.

AFTER THE SUPERSONIC FLIGHT

With the dispelling of the transonic fears by Yeager successfully taking the XS-1 through this “deadly” zone, the aerospace industry could proceed by leaps and bounds. A December 1948 NACA release in part stated—

This is an epochal achievement in the history of world aviation—the greatest since the first successful flight of the original Wright Brothers' airplane, 45 years ago.

However, word of that October 1947 feat was not flashed around the world—it was immediately classified by the Air Force. The Air Force and NACA did not officially confirm the flight until June 1948, although both Aviation Week and the Los Angeles Times released news of the flight on December 22, 1947. The Times article, written by Mr. Miles, stated—

The dread barrier to supersonic speeds was first conquered early last month at Muroc Air Base, the Times learned from authoritative sources, when Captain Charles Yeager, Air Force flyer, hurtled the XS-1 rocket plane through the wall to shatter a legend of its invincibility.

They gave no speed nor did an officially authorized Secretary of the Air Force followup story dated June 11, 1948. In our modern day, such a feat would have been ballyhooed immediately around the world.

The Air Force and Yeager did not sit back and relax—they kept on flying the XS-1. On November 6, 1947, Yeager flew to mach 1.35 at 48,600 feet and continued to further put to bed the barrier fear; on January 5, 1949, he demonstrated a takeoff under its own power from Rogers Dry Lake—the first ever for a rocket-powered aircraft. Both XS-1's continued to be flown as aerodynamic research vehicles with Yeager doing the predominance of the Air Force supersonic flying, along with checking out other pilots in the XS-1. In 1950, the XS-1 No. 1—the one flown by Yeager on the historic flight—was retired from flying and turned over to the Smithsonian Institute.

In the presentation ceremony, Gen. Hoyt Vandenberg stated—

The X-1 . . . marked the end of the first great period of the air age, and the beginning of the second. In a few moments the subsonic period became history and the supersonic period was born.

BRILLIANT FLIGHT OF X-1A

The supersonic period was characterized by yet another accomplishment with the X-1 series aircraft and again with Yeager as the pilot. The time was December 1953 and the X-1A—an improved version of the Bell X-1 aircraft—was carried aloft by a B-50. The X-1A was

improved to the degree that it was longer, carried more fuel, had a cockpit canopy, and more instrumentation; however, it still had no ejection seat and it was considered impossible for the pilot to escape from the cockpit. Again, the pilot was "sealed" in the aircraft.

Yeager and the X-1A were released at 30,000 feet. He achieved maximum altitude at approximately 76,000 feet with the X-1A accelerating through mach 2 and beyond. Then, suddenly, at mach 2.44, the aircraft tumbled completely out of control, violently throwing Yeager around in the cockpit. The plane lost altitude rapidly and decelerated with a resulting subsonic inverted spin at 34,000 feet. Yeager, although battered and semi-conscious, recovered from the inverted spin at 29,000 feet and the normal spin at 25,000 feet. He descended safely to the lakebed. During the 50,000-foot fall, he had cracked the hard inner shell of the canopy with his helmet and the stick had been bent in an "S" shape—the only damages to the aircraft. NACA radar tracking records indicated the plane had attained a peak speed of 1,612 miles per hour at 74,200 feet. Analysis of the flight revealed that planes flying beyond mach 2.3 would require much larger vertical and horizontal stabilizer surfaces to retain adequate stability. Again, Yeager had immeasurably contributed to aerospace science—again at the risk of his life.

SUMMARY AND SIGNIFICANCE

During World War II, aircraft design and propulsion development had brought the airplane to the "sound barrier" or the transonic range—considered to be in those early days a deadly zone where aircraft were subjected to strange buffeting, erratic control movements, compressibility, and often disintegration of the aircraft. Many noted scientists were firmly convinced that a manned aircraft would never exceed the speed of sound. Others persevered in their research, and a research plane was designed and developed. The XS-1—later termed X-1—was built by Bell Aircraft under contract with the U.S. Army Air Force. Prior to 1947, the military had not actively managed a research program. Civilian contractors had always performed any research associated with the development of new airplanes, and then the military would take over the production items ready for service. However, after Bell Aircraft had flown the XS-1 to the mach 0.8 range in accordance with the terms of the contract, the civilian test pilot was requesting excessive fees to fly the plane through the transonic region and on to supersonic speeds.

The Army Air Force assumed responsibility and called on its own test pilots—many of whom had achieved heroic accomplishments during the war—to volunteer for the high risk job of flying the bullet shaped research aircraft to supersonic speeds. Because of his demonstrated flying skill, dedication, determination, and stability, General—then captain—Yeager was selected as the pilot. One criteria of the selection process had been that the pilot not be married—an indicator of the considered danger in the project; however, Yeager's superb

confidence and qualities far outweighed the fact that he was married, with two children. Yeager and the remainder of the selected team—engineer, backup pilot, and maintenance crew—went to Muroc Army Air Base—later to be named Edwards Air Force Base—for familiarization and then flying the XS-1. Through a carefully programmed step-by-step series of flights, Yeager began knocking at the "sound barrier" door. These flights were not without incident—fires in the engine section, erratic flight control behavior, mechanical difficulties, and delays for repairs.

On October 14, 1947 he flew the XS-1 beyond mach 1—the speed of sound—and safely returned to Earth. In that 14-minute flight, he had proven that an aircraft could be flown at supersonic speeds. In that short span of time, he had taken aviation as far beyond the first half-century of powered flight as the Wright Brothers had carried man beyond the history-long dream of flying before them.

Yeager continued on doing what he thought necessary for the advancement of aviation—flying research aircraft. In the X-1A, he became the first man in the world to fly faster than twice the speed of sound; however, it nearly cost him his life when the X-1A went out of control, because of the high mach number, and altitude at which the airplane was flying, an incident in which Yeager stated afterward that had the aircraft been equipped with an ejection seat, he would have used it. Even after his years of flying research aircraft, General Yeager contributed through his varied command assignments to the furtherance of aerospace study.

Yeager was not promised fame and glory, nor has he ever sought it. It is acknowledged that he has received trophies and lesser military decorations for his achievements; however, flying the XS-1 supersonic was above and beyond any call of duty. Many noted individuals believed it could not be done, and there were previous cases to give credence to their belief. The XS-1 aircraft, although strongly built, had no means of escape if, during flight, the pilot ran into serious trouble. The mission to fly the XS-1 supersonic was on a volunteer basis—with only normal military pay and allowances—and General Yeager was told on numerous occasions that if at any time he felt the project was too dangerous, he could withdraw and not be subjected to any adverse criticism. General Yeager "hung in there" and proved that the newly formed Air Force had the capability, the know-how, and the perseverance to tackle the unknown—and tame it.

PRECEDENTS FOR NONCOMBAT MEDALS OF HONOR

There is ample precedent for the Medal of Honor being awarded to a non-combatant during peacetime. The following examples are offered: First, Comdr. Richard E. Byrd, Jr., "For distinguishing himself conspicuously by courage and intrepidity at the risk of life, in demonstrating that it is possible for aircraft to travel in continuous flight from a noninhabited portion of the Earth over the North Pole and return."

Second, Capt. Charles A. Lindbergh, for "displaying heroic courage and skill as a navigator, at the risk of his life, by his nonstop flight in his airplane, the 'Spirit of St. Louis,' from New York City to Paris, France, May 20-21, 1927, by which Captain Lindbergh not only achieved the greatest individual triumph of any American citizen, but demonstrated that travel across the ocean by aircraft was possible."

General Yeager has served his country long and in a most honorable manner. This award for an achievement which played such a significant role in our aviation and space history is overdue, and deserves the support of a grateful nation.

BIOGRAPHY

Mr. Speaker, I also want to talk about General Yeager's background. Brig. Gen. Charles E. Yeager was born on February 13, 1923, in Myra, W. Va., and is a graduate of Hamlin, W. Va., High School. He enlisted in the Army Air Corps in September 1941 and although not a college graduate, he doggedly pursued and was accepted for pilot training under the flying sergeant program in July 1942. He received his pilot wings and appointment as a flight officer in March 1943 at Luke Field, Ariz.

Mr. Speaker, during World War II, General Yeager distinguished himself in aerial combat over France and Germany during the years 1943-45 by shooting down 13 enemy aircraft, 5 on one mission, including one of Germany's first jet fighters. During his eighth combat mission, on March 5, 1944, he was shot down over German-occupied France, but escaped capture when elements of the French Marquis helped him to reach the safety of the Spanish border. It was while evading that General Yeager further proved his mettle—coming across another seriously wounded evader, he ignored his own problems and rendered first aid to the other man and then insured he was safely across the border into Spain and in friendly hands. After 2 months in Spain, General Yeager was returned to England where normally an evader would have been returned to the United States. However, General Yeager was a fighter. He persisted with all officials and finally, at the direction of General Eisenhower, he was allowed to remain and return to combat duty where he amassed his outstanding record in 55 combat missions.

He returned to the United States in February 1945 to attend the pilot instructor course, after which he served as an instructor pilot. In July 1945, he went to Wright Field, Ohio, where he received his first experimental test work. His assignment there led to his selection as pilot of the Nation's first research rocket aircraft, the Bell X-1, at Muroc Air Base, now Edwards Air Force Base, Calif.

General Yeager made world history on October 14, 1947, when he became the first man to fly faster than the speed of sound. During his 9-year assignment as the Nation's leading test pilot, he also became the first man to fly more than twice the speed of sound, flying the Bell X-1A on December 12, 1953. He was awarded the Collier, Mackay, and Harmon International Trophies for his ex-

ploys in these research aircraft. Also during this period, General Yeager was called upon to participate with General Boyd in a program of testing and evaluating French prototype aircraft. On another occasion, General Boyd again selected General Yeager to assist him in flying and evaluating the Mig-15—the first obtained by the United States. These exploits characterize General Yeager the pilot—capable, efficient, stable, and always ready for the high-risk-assignment.

Mr. Speaker, in May 1955, General Yeager assumed command of the 417th Fighter Squadron at Hahn Air Base, Germany, and remained in that position when the squadron was reassigned to Toul-Rosieres Air Base, France, in April 1956. Upon his return to the United States in September 1957, he was assigned to the 413th Fighter Wing at George Air Force Base, Calif., and in April 1958 became commander of the First Fighter Day Squadron. In April 1958, he went with the First Fighter Day Squadron to Moron Air Base, Spain, where he remained until November 1958. He returned to George Air Force Base with the same unit, which was later redesignated the 306th Tactical Fighter Squadron.

In 1952, General Yeager attended Air Command and Staff College. He graduated from the Air War College at Maxwell Air Force Base, Ala., in June 1956 and became commandant of the Aerospace Research Pilot School, where all military astronauts were trained, in July 1962.

In July 1966, he assumed command of the 405th Fighter Wing at Clark Air Base, Philippines. While commander, he flew 127 missions in South Vietnam.

General Yeager assumed command of the Fourth Tactical Fighter Wing at Seymour Johnson Air Force Base, N.C., in February 1968 and went with that wing to Korea during the Pueblo crisis. In July 1969, he was promoted to brigadier general and became vice commander, 17th Air Force, with headquarters at Ramstein Air Base, Germany. In January 1971, he was appointed the U.S. Defense Representative to Pakistan. He reported to the Air Force Inspection and Safety Center at Norton Air Force Base, Calif., in March 1973 and became director of aerospace safety for the Air Force in June 1973.

Mr. Speaker, General Yeager's awards and decorations include:

Distinguished Service Medal.
Silver Star with one Oak Leaf Cluster.
Legion of Merit with one Oak Leaf Cluster.
Distinguished Flying Cross with two Oak Leaf Clusters.
Bronze Star Medal w/V
Air Medal with ten Oak Leaf Clusters.
Air Force Commendation Medal.
Purple Heart
Distinguished Unit Citation with one Oak Leaf Cluster.
Air Force Outstanding Unit Award.

General Yeager is a command pilot and has flown over 10,000 hours in more than 155 different types of military aircraft.

Mr. Speaker, in considering whether or not to enact legislation for a non-combat Medal of Honor, I believe it is important to consider the nature of the exploits which won noncombat Medals

of Honor during the years 1920-40 between World War I and World War II. I am attaching a list of those individuals who received noncombat Medals of Honor during this period and the nature of their exploits:

INTERIM 1920 TO 1940

BADDERS, WILLIAM

Rank and organization: Chief Machinist's Mate, United States Navy. Place and date: At sea following sinking of the U.S.S. Squalus, 13 May 1939. Entered service at: Washington, D.C. Birth: Harrisburg, Pa. Citation: For extraordinary heroism in the line of his profession during the rescue and salvage operations following the sinking of the U.S.S. Squalus on 13 May 1939. During the rescue operations, Badders, as senior member of the rescue chamber crew, made the last extremely hazardous trip of the rescue chamber to attempt to rescue any possible survivors in the flooded after portion of danger involved in that if he and his assistant became incapacitated, there was no way in which either could be rescued. During the salvage operations, Badders made important and difficult dives under the most hazardous conditions. His outstanding performance of duty contributed much to the success of the operations and characterizes conduct far above and beyond the ordinary call of duty.

BENNETT, FLOYD

Rank and organization: Machinist, U.S. Navy. Born: 25 October 1890, Warrensburg, N.Y. Accredited to: New York. Other Navy award: Distinguished Service Medal. Citation: For distinguishing himself conspicuously by courage and intrepidity at the risk of his life as a member of the Byrd Arctic Expedition and thus contributing largely to the success of the first heavier-than-air flight to the North Pole and return.

BREAUT, HENRY

Rank and organization: Torpedoman Second Class, U.S. Navy. Born: 14 October 1900, Putnam, Conn. Accredited to: Vermont. G.O. No.: 125, 20 February 1924. Citation: For heroism and devotion to duty while serving on board the U.S. Submarine O-5 at the time of the sinking of that vessel. On the morning of 28 October 1923, the O-5 collided with the steamship *Abangarez* and sank in less than a minute. When the collision occurred, Breault was in the torpedo room. Upon reaching the hatch, he saw that the boat was rapidly sinking. Instead of jumping overboard to save his own life, he returned to the torpedo room to the rescue of a shipmate whom he knew was trapped in the boat, closing the torpedoroom hatch on himself. Breault and Brown remained trapped in this compartment until rescued by the salvage party 31 hours later. (Medal presented by President Coolidge at the White House on 8 March 1924.)

BYRD, RICHARD E., JR.

Rank and organization: Commander, U.S. Navy. Born: 25 October 1888, Winchester, Va. Appointed from: Virginia. (19 February 1927.) Other Navy awards: Navy Cross, Distinguished Service Medal, Legion of Merit with gold star, Distinguished Flying Cross. Citation: For distinguishing himself conspicuously by courage and intrepidity at the risk of his life, in demonstrating that it is possible for aircraft to travel in continuous flight from a now inhabited portion of the earth over the North Pole and return.

CHOLISTER, GEORGE ROBERT

Rank and organization: Boatswain's Mate, First Class, U.S. Navy. Born: 18 December 1898, Camden, N.J. Accredited to: New Jersey. (Awarded by Special Act of Congress 3 February 1933.) Citation: For extraordinary heroism in the line of his profession on the occasion of a fire on board the U.S.S. *Trenton*. At 3:35 on the afternoon of 20 October 1924,

while the *Trenton* was preparing to fire trial installation shots from the two 6-inch guns in the forward twin mount of that vessel, two charges of powder ignited. Twenty men were trapped in the twin mount. Four died almost immediately and 10 later from burns and inhalation of flames and gases. The six others were severely injured. Cholister, without thought of his own safety, on seeing that the charge of powder from the left gun was ignited, jumped for the right charge and endeavored to put it in the immersion tank. The left charge burst into flame and ignited the right charge before Cholister could accomplish his purpose. He fell unconscious while making a supreme effort to save his shipmates and died the following day.

CORRY, WILLIAM M., JR.

Rank and organization: Lieutenant Commander, U.S. Navy. Born: 5 October 1889, Quincy, Fla. Accredited to: Florida. Other Navy award: Navy Cross. Citation: For heroic service in attempting to rescue a brother officer from a flame-enveloped airplane. On 2 October 1920, an airplane in which Lieutenant Commander Corry was a passenger crashed and burst into flames. He was thrown 30 feet clear of the plane and, though injured, rushed back to the burning machine and endeavored to release the pilot. In so doing he sustained serious burns, from which he died 4 days later.

CRANDALL, ORSON L.

Rank and organization: Chief Boatswain's Mate, U.S. Navy. Born: 3 February 1903, St. Joseph, Mo. Accredited to: Connecticut. Citation: For extraordinary heroism in the line of his profession as a master diver throughout the rescue and salvage operations following the sink of the U.S.S. Squalus on 23 May 1939. His leadership and devotion to duty in directing diving operations and in making important and difficult dives under the most hazardous conditions characterize conduct far above and beyond the ordinary call of duty.

DREXLER, HENRY CLAY

Rank and organization: Ensign, U.S. Navy. Born: 7 August 1901, Braddock, Pa. Accredited to: Pennsylvania. (Awarded by Special Act of Congress, 3 February 1933.) Other Navy award: Navy Cross. Citation: For extraordinary heroism in the line of his profession on the occasion of a fire on board the U.S.S. *Trenton*. At 3:35 on the afternoon of 20 October 1924, while the *Trenton* was preparing to fire trial installation shots from the two 6-inch guns in the forward twin mount of that vessel, two charges of powder ignited. Twenty men were trapped in the twin mount. Four died almost immediately and 10 later from burns and inhalation of flame and gases. The six others were severely injured. Ensign Drexler, without thought of his own safety, on seeing that the charge of powder for the left gun was ignited, jumped for the right charge and endeavored to put it in the immersion tank. The left charge burst into flame and ignited the right charge before Ensign Drexler could accomplish his purpose. He met his death while making a supreme effort to save his shipmates.

EADIE, THOMAS

Rank and organization: Chief Gunner's Mate, United States Navy. Place and date: Off Provincetown, Mass., 18 December 1927. Entered service at: Rhode Island. Birth: Scotland. Citation: For display of extraordinary heroism in the line of his profession above and beyond the call of duty on 18 December 1927, during the diving operations in connection with the sinking of the U.S.S. *S-4* with all on board, as a result of a collision off Provincetown, Mass. On this occasion when Michels, Chief Torpedoman, United States Navy, while attempting to connect an airline to the submarine at a depth of 102 feet became seriously fouled, Eadie

under the most adverse diving conditions, deliberately, knowingly, and willingly took his own life in his hands by promptly descending to the rescue in response to the desperate need of his companion diver. After 2 hours of extremely dangerous and heartbreaking work, by his cool, calculating, and skillful labors, he succeeded in his mission and brought Michels safely to the surface.

EDWARDS, WALTER ATLEE

Rank and organization: Lieutenant Commander, U.S. Navy. Born: 8 November 1886, Philadelphia, Pa. Accredited to: Pennsylvania. G.O. No.: 123, 4 February 1924. (Medal presented by President Coolidge at the White House on 2 February 1924.) Other Navy award: Navy Cross. Citation: For heroism in rescuing 482 men, women and children from the French military transport *Vinh-Long*, destroyed by fire in the Sea of Marmora, Turkey, on 16 December 1922. Lieutenant Commander Edwards, commanding the U.S.S. *Bainbridge*, placed his vessel alongside the bow of the transport and, in spite of several violent explosions which occurred on the burning vessel, maintained his ship in that position until all who were alive were taken on board. Of a total of 495 on board, 482 were rescued by his coolness, judgment and professional skill, which were combined with a degree of heroism that must reflect new glory on the United States Navy.

GREELY, ADOLPHUS W.

Rank and organization: Major General, United States Army, retired. Place and date: _____. Entered Service at: Louisiana. Birth: Newburyport, Mass. G.O. No.: 3, W. D., 1935. Act of Congress, 21 March 1935. Citation: For his life of splendid public services, begun on 27 March 1844, having enlisted as a private in the United States Army on 26 July 1861, and by successive promotions was commissioned as major general 10 February 1906, and retired by operation of law on his 64th birthday.

HUBER, WILLIAM R.

Rank and organization: Machinist's Mate, United States Navy. Place and date: Aboard the U.S.S. *Bruce* at the Naval Shipyard, Norfolk, Va., 11 June 1923. Entered service at: Pennsylvania. Birth: Harrisburg, Pa. Citation: For display of extraordinary heroism in the line of his profession on 11 June 1923, after a boiler accident on the U.S.S. *Bruce*, then at the Naval Shipyard, Norfolk, Va. Immediately on becoming aware of the accident, Huber, without hesitation and in complete disregard of his own safety, entered the steamfilled fireroom and at grave risk to his life succeeded by almost super-human efforts in carrying Charles H. Byran to safety. Although having received severe and dangerous burns about the arms and neck, he descended with a view toward rendering further assistance. The great courage, grit, and determination displayed by Huber on this occasion characterized conduct far above and beyond the call of duty.

HUTCHINS, CARLTON B.

Rank and organization: Lieutenant, U.S. Navy. Born: 12 September 1904, Albany, N.Y. Accredited to: New York. Citation: For extraordinary heroism as the pilot of the United States Navy Seaplane PBY-2 No. 0463 (11-P-3) while engaged in tactical exercises with the United States Fleet on 2 February 1938. Although his plane was badly damaged, Lieutenant Hutchins remained at the controls endeavoring to bring the damaged plane to a safe landing and to afford an opportunity for his crew to escape by parachutes. His cool, calculated conduct contributed principally to the saving of the lives of all who survived. His conduct on this occasion was above and beyond the call of duty.

LINDBERGH, CHARLES A.

Rank and organization: Captain, United States Army Air Corps Reserve. Place and date: From New York City to Paris, France,

20-21 May 1927. Entered service at: Little Falls, Minn. Birth: Detroit, Mich. G.O. No.: 5, W.D., 1928; act of Congress 14 December 1927. Citation: For displaying heroic courage and skill as a navigator, at the risk of his life, by his nonstop flight in his airplane, the *Spirit of St. Louis*, from New York City to Paris, France. 20-21 May 1927, by which Captain Lindbergh not only achieved the greatest individual triumph of any American citizen but demonstrated that travel across the ocean by aircraft was possible.

M'DONALD, JAMES HARPER

Rank and organization: Chief Metalsmith, United States Navy. Place and date: Area at sea of sinking of the U.S.S. *Squalus*, 23 May 1939. Entered service at: Washington, D.C. Birth: Scotland. Citation: For extraordinary heroism in the line of his profession as a master diver throughout the rescue and salvage operations following the sinking of the U.S.S. *Squalus* on 23 May 1939. His leadership, masterly skill, general efficiency, and untiring devotion to duty in directing diving operations, and in making important and difficult dives under the most hazardous conditions, characterize conduct far above and beyond the ordinary call of duty.

Lieutenant McDonald, USN (Ret.), presently resides in Roulette, Pa.

MIHALOWSKI, JOHN

Rank and organization: Torpedoman First Class, United States Navy. Place and date: Area at sea of the sinking of the U.S.S. *Squalus*, 23 May 1939. Entered service at: Massachusetts. Birth: Worcester, Mass. Citation: For extraordinary heroism in the line of his profession during the rescue and salvage operations following the sinking of the U.S.S. *Squalus* on 23 May 1939. Mihalowski, as a member of the rescue chamber crew, made the last extremely hazardous trip of the rescue chamber to attempt the rescue of any possible survivors in the flooded after portion of the *Squalus*. He was fully aware of the great danger involved, in that, if he and the other member of the crew became incapacitated, there was no way in which either could be rescued. During the salvage operations Mihalowski made important and difficult dives under the most hazardous conditions. His outstanding performance of duty contributed much to the success of the operations and characterizes conduct far above and beyond the ordinary call of duty.

RYAN, THOMAS J.

Rank and organization: Ensign, United States Navy. Place and date: Yokohama, Japan, 1 September 1923. Entered service at: Louisiana. Birth: New Orleans, La. Citation: For heroism in effecting the rescue of a woman from the burning Grand Hotel, Yokohama, Japan, on 1 September 1923. Following the earthquake and fire which occurred in Yokohama on 1 September, Ensign Ryan, with complete disregard for his own life, extricated a woman from the Grand Hotel, thus saving her life. His heroic conduct upon this occasion reflects the greatest credit on himself and on the United States Navy, of which he is a part. (Medal presented by President Coolidge at the White House on 15 March 1924.)

SMITH, ALBERT JOSEPH

Rank and organization: Private, United States Marine Corps. Place and date: Marine Barracks, Naval Air Station, Pensacola, Florida, 11 February 1921. Entered service at: Michigan. Birth: Calumet, Mich. G.O. No.: 72, 29 September 1921. Citation: At about 7:30 a.m. on the morning of 11 February 1921, Private Smith, while on duty as a sentry, rescued Pien M. Phelps, late machinists mate second class, United States Navy, from a burning seaplane which had fallen near his post, gate No. 1, Marine Barracks, Naval Air Station, Pensacola, Fla. Despite the explosion of the gravity gasoline tank, with total disregard of personal safety, he pushed himself to a position where he could

reach Phelps, who was pinned beneath the burning wreckage, and rescued him from the burning plane, in the performance of which he sustained painful burns about the head, neck, and both hands.

CONCLUSION

Mr. Speaker, I hope that other Members will introduce similar legislation, and that this legislation will receive early and favorable consideration by the Congress. As the author of "The Bridge at Remagen," which involved one of the most stirring episodes of World War II, I would like to observe that in the heat of combat men accustomed to risking their lives will frequently perform above and beyond the call of duty and perform extraordinary acts of heroism. With "Chuck" Yeager, he could cold-bloodedly measure the danger and the consequences for many months prior to undertaking a mission which risked his life. He slept every night with full knowledge of the risk to his life, and his wife and children certainly made him even more aware of these risks. Yet for his country, he not only was determined to perform the assigned mission, but he accomplished a feat which unlocked untold new opportunities for the development of this Nation's aviation and flight capabilities.

For all these reasons, I trust that this Nation will see fit to honor this brave American, and demonstrate the gratitude of the Nation by awarding the Medal of Honor to Brig. Gen. Charles E. Yeager.

ALBERTA KING MARTYRED

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Nation again has been stunned by unspeakable tragedy. The slaying of Mrs. Martin Luther King, Sr. in Atlanta leaves us numb with sorrow as we seek to make some sense of another incomprehensible act of violence. As yet, we know little about the motives of the murderer. However, nothing we can learn about him can diminish the anger and frustration we feel toward this barbaric act.

Mrs. Alberta King exemplified the quiet, reserved strength that marked her son's efforts to overcome injustice through nonviolence and peaceful civil disobedience. A deeply religious woman, she was playing the organ at Sunday services in her husband's church when the shooting occurred. As a devoted mother, she gave the Reverend Martin Luther King, Jr., the sense of moral rectitude and self-sacrifice that was to inspire the millions who followed him.

I cannot help but draw a parallel between the fate of the King family and that of the Kennedys. No two families have suffered more; yet no two families have accomplished more to relieve the suffering of others. That both families have continued their good works in the face of this injustice bears witness to an enduring moral strength possessed by few. They deserve the admiration of all.

I hope the Reverend Martin Luther King, Sr. will accept my sincerest condolences. I trust he will persevere in the memory of his son and wife.

"A FRAMEWORK FOR FREEDOM,"
BY FERDINAND A. HERMENS

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to insert in the RECORD the text of a most interesting article by the distinguished scholar and professor of political science, Prof. Ferdinand A. Hermens, a former Fellow of the Woodrow Wilson International Center for Scholars.

Professor Hermens has taught widely in the United States as well as in Europe, and I believe that Members of Congress will read with interest an article concerning proportional representation.

Professor Hermens' essay, which appears in the March/April 1974, issue of the journal, "Freedom At Issue," follows:

A FRAMEWORK FOR FREEDOM
(By Ferdinand A. Hermens)

The fallacy of Proportional Representation—Proportional Representation favors extremism—as its record in Germany, Italy, France, Latin America and the developing countries suggests. Political scientists and journalists are urged to help develop a more reliable framework in which freedom can thrive.

The decades following both the First and the Second World Wars were characterized by attempts to establish freedom in countries previously subjected to autocratic rule. In most cases the road to freedom seemed clear, and the attempt to establish it was made by men whose sincerity and ability were not open to doubt. Yet there were setbacks, enabling the opponents of freedom to make headway, and this occurred also in Latin America and in countries recently freed from colonial rule. Why?

Political causation is always multiple. A number of interrelated factors combine to produce a certain result. Not infrequently there is a key factor. If it can be explained, and if the immediate problem connected with it can be solved, a more orderly approach to the remaining questions becomes possible. Political form is a key to an explanation of the complexities.

When Alexander Hamilton, John Jay, and James Madison wrote the essays later collected under the title *The Federalist* they concerned themselves all but exclusively with the problem of political form. They were keenly aware of social reality and in particular of the cleavages inherent in society. James Madison in No. 10 was explicit about their multitudinous sources. However, it seemed clear to him that difficulties arising from these facts were not the ultimate factor to be considered.¹ The tenth Federalist states in its first sentence that not the least of the advantages of a well-constructed union would be its ability "to break and control the violence of faction." For Madison the mere enumeration of the factors making for conflict was, therefore, but the beginning of the story. He looked for ways to canalize and control the sources of conflict. He knew conflict was inevitable in every society and he wanted it to be in the open. But he also wanted to see to it that there would be safe barriers against its excesses. These are caused by what he calls "factions." They are, in good part, identical with what in our day we call "extremist" movements.

For Madison two of the vital checks were majority voting in small areas (he thought of congressional districts) and majority decisions within a large country, such as the

United States, as a whole. He felt that this double mopping up process would subject true extremists (a minority under ordinary conditions) to such pressure that the quality of the men elected under representative government might be enough to enable them to take care of the rest. If space permitted it could be shown that American party history has borne him out from the start.

PR FEATURES EXTREMISM

Matters are entirely different if elections are held under proportional representation (P.R.). Whenever this system is carried to the extreme differences between the state and society are overlooked. Society is inevitably characterized by multiplicity, by what John Locke called "the variety of opinions and the contrariety of interests which unavoidably happen in all collections of men."² The characteristic of the state is unity, to see to it that the whole is bigger than the sum of the parts. But in the theoretical premises of P.R. the whole is thought of as a mere juxtaposition of the parts. In addition, proponents of P.R. assume that the parts are autonomous and stable quantities which can be subjected to an automatic counting process. But elections involve a socio-psychological process. Political will is not merely expressed (or "represented") but *formed*. In elections majority and moderate views are played down. Under P.R. the opposite occurs.

Walter Bagehot had both the static and the dynamic aspects of P.R. in mind when he wrote in his *English Constitution*³ after Thomas Hare had proposed the single transferable vote system of P.R., now connected with his name:

"... the mass of a Parliament ought to be men of moderate sentiments, or they will elect an immoderate ministry, and enact violent laws. But upon the plan suggested, the House would be made up of party politicians selected by a party committee, chained to that committee and pledged to party violence, and of characteristic, and therefore immoderate representatives, for every "ism" in all England. Instead of a deliberative assembly of moderate and judicious men, we should have a various compound of all sorts of violence."

When we look at the consequences of P.R. there is an appreciable difference between the inter-war period and the decades after World War II. On a previous occasion⁴ I drew attention to the fact that in the first period of the population of the countries which adopted P.R., and in which democracy perished, totaled 198 million. Democracy survived in P.R. countries with a total population of 40.6 million. The rate of failure, then, was something like 80 percent.⁵

A great deal more than P.R. was involved in the failure of democracy wherever it occurred. Periods of severe inflation and deflation shook the world. Their occurrence was to some extent conditioned by the fact that governments were too unstable either to prevent or to mitigate them. P.R. played a part in this process. Furthermore, at that time, certain people enthusiastically pushed the application of P.R. to its most logical conclusion. In Germany, elections to the National Assembly of 1919 had taken place where the d'Hondt system favored the larger parties. When the new election law was adopted in 1920, almost every splinter party was given its chance. As a result in the elections of 1928 the Nazis obtained twelve seats with 2.6 percent of the total vote. Their 12 deputies in the Reichstag did what they could, in combination with the 54 Communists (most of whom also owed their seats to P.R.) to paralyze parliamentary procedure. Equally important, the 12 Nazi deputies demonstrated to the voter, by their very existence, that the NSDAP did not constitute a mere "Papierkorpertei" ("wastepaperbasket party").

The period following World War II differed from the inter-war period in regard to economic development as well as in regard to the political structure. Fairly rapid economic growth was the rule rather than the exception. It was interrupted by "recessions" which bear no comparison to the "depressions" of the early 1920's and the one starting in 1929. This makes a tremendous political difference. A recent study has shown that the "perception" of economic adversity (or of prosperity) has a vital influence on political history, the former favoring extremists as much as the latter favors moderates.⁶ Finally, more than the proverbial grain of salt has been added to most P.R. laws now in existence. The "five percent clause" in Germany's post-World War II election law is the best illustration. The clause stipulated that a party must achieve at least five percent of the total vote.

THE LESSON OF ITALY

We have only to look at the recent political history of Italy in order to see that P.R. has had its effects even during an unprecedented period of prosperity. The political turmoil now prevailing is all the more distressing since what happened after the Second World War could have been foreseen on the basis of what happened after the First. Parliamentary government was slow to take root in the hard social soil of Italy, but there had been progress since the turn of the century. The situation drastically deteriorated, however, with the introduction of P.R. in 1919. Before this step was taken, the deputy of Alessio warned against it in a brilliant speech from which the following paragraphs may be quoted:

"... the nature of the minorities of which we obtain expression with the system of P.R. excludes that possibility of coalition within Parliament, where as the passion for power for power's sake, which is so strong in the Latin peoples, leads to paralysis and destruction.

"... The application of this system under present conditions would provoke a very bad functioning of the Chamber, would make it impossible to form a lasting cabinet, and would in the long run bring about the paralysis of public life."

Reference has frequently been made to the unusual burdens placed upon free government in Italy by the events following the war. But the probable consequences could have been foreseen. Sidney Sonnino declared: "With the tempestuous agitation that has arisen during the last five years still troubling us... now is surely not the time to adopt new methods of the election of Parliament and thus give fresh strength to those elements in our social and political structure which make for disintegration..."

The first P.R. election held in 1919 immediately led to great confusion. When Prime Minister Nitti was unable to hold his government together there did not seem to be any better solution than to recall the 78-year old Giolitti, apparently discredited when Italy entered the war. The "old fox of Dronero," as he was called after his native town, soon saw that his old tricks would not work in a Chamber composed of P.R. parties. After some experimenting he called for new elections. When these produced an even worse result, he wanted to dissolve the Chamber again and hold elections under majority voting, introduced by decree. The move failed. The situation is typical of P.R. parliaments within which entire parties, and groups within parties, have an overriding vested interest in P.R. The *immobilisme* created in this fashion causes desperate people to look for desperate solutions. (It might be mentioned that the only case in which remedy was applied was that of Greece in 1928 when Venizelos abolished P.R. by decree and managed—for a time—to give the country a workable majority.)

Giolitti quit when the new Chamber was unwilling to give him the degree of coopera-

tion which he deemed essential. His first successor was Bonomi and the second Facta whose name became synonymous with mediocrity, indecision and futility. The country had, in the words of Gaetano Salvemini, been going through a period of "postwar neurasthenia," caused by the disappointment over the peace treaty, inflation, strikes and, in the end, a civil war-like series of street battles between the Fascists and their opponents. When, by the summer of 1922, there was a chance to bring matters under control this was, according to Salvemini, prevented by "parliamentary paralysis"—which Alessio had predicted as an inevitable result of P.R. There followed the "March on Rome" which, General Badoglio said, could have been ended by "five minutes of gunfire."

After the war, when the time came to give Italy a new framework of government there appeared (on October 17, 1945) a manifesto by a group of distinguished men, including the later President Luigi Einaudi and the former Prime Ministers Bonomi, Orlando and Nitti, which warned against readopting P.R. and demanded the return to the majority system as it had existed prior to 1919. Einaudi repeated and amplified these warnings in a speech which he made in the Consultative Assembly (an appointive parliament) on February 11, 1946. The large parties, however, just as in 1919, wanted P.R., and the Allied occupation powers seemed to favor it so it was reintroduced.¹²

At first there were two factors which could compensate for some of the weaknesses of P.R. Instead of the old Popular party of Luigi Sturzo, which the Vatican merely tolerated, there was the new Christian Democratic party which the Vatican wholeheartedly supported. In addition women were not enfranchised. The 1946 elections, however, produced a splintered parliament with the Christian Democrats limited to 35.6 percent of the votes. There followed a couple of turbulent years which caused Anne O'Hare McCormick to comment: "Anything may happen at any time, but holding it (the political structure) together is a job for a tortionist or a conjurer."¹³

Before the elections to the first Chamber under the new constitution became due in 1948, two events combined to produce a shock effect: The Communist take-over in Czechoslovakia and an election in the town of Pescara in which the Communist-Socialist bloc increased its strength to such an extent that as careful an observer as Arnaldo Cortesi reported to The New York Times: "The election result . . . confirms the opinion that the left-wing parties have a good chance of winning the election scheduled for April."¹⁴ The result was an unprecedented mobilization of moderate opinion which gave the Christian Democrats 48.5 percent of the votes and 53 percent of the seats in the Chamber. Italy witnessed a period of relative stability enabling the then Minister of Finance, Luigi Einaudi, to bring order into the Italian currency situation and lay the basis for what became the *miracolo economico* (the economic miracle) beginning approximately in 1952. Italy's industry started to expand vigorously and there was reason to hope that continued economic development would provide the means of ridding the country of some of her ancient social ills. The economic upturn acted as a prop even when with the elections of 1953 the political system returned to instability characteristic of P.R. countries. Governments were formed by the Christian Democrats, the Liberals, the Social Democrats and the Republicans. In 1962 there began the "apertura a sinistra." Nenni's Communists, who had abandoned the earlier close cooperation with the Communists, joined the Christian Democrats, the Social Democrats and the Republicans. The governments formed for a decade under these auspices failed, however, to give their country a sense of direction, just as did the earlier groupings which were anchored a little more

to the Right.¹⁵ When the internal difficulties of this combination mounted, Giulio Andreotti formed a Christian Democratic minority cabinet and then a new coalition including the Liberals. This was the 34th Italian post-war government and it resigned in June 1973 after the small Republican party withdrew its support. The latest Congress of the Democrazia Cristiana has voted for a return to a government including the Socialists. A recent New York *Time* report was headed: "Coalitions, Chaos, Government Italian Style."¹⁶

Still, when in July 1973 the government of Mariano Rumor was formed, in which the Socialists had taken the place of the Liberals, there was not only a crisis affecting all aspects of social as well as political life, but also an awareness of this crisis. In the new version of the "opening to the Left" the Christian Democrat Colombo, the Socialist Giolitti, and the Republican La Malfa formed a "Troika" dedicated to a serious attack on rampant inflation and the social unrest which it entailed. The trade unions promised cooperation, and Communists as well as Liberals abstained when the government submitted its austerity program to parliament. All of this will help and the immediate crisis may be overcome. Still, one wonders about the future: The government confronts a heterogeneous opposition, with the Communists at the Left and the Liberals and the neo-Fascists at the Right; Italy remains a democracy without a safety valve. Extremists may tolerate a centrist government for a while but in the long run the temptation for them to exploit the protest vote, which measures of financial consolidation inevitably produce, is likely to be too great to resist.

Under these conditions it is small wonder that the prestige of parliamentary government should be as low in Italy as it is. There is no doubt that Italy's political and social problems are numerous and grave. The real problem arises, however, from the fact that existing institutions make it so hard to galvanize the energies of the Nation. Dissatisfaction goes so far that, according to reports receiving wide publicity, there were, during the early 1961's, active preparations for a *coup d'état* on the Greek model. A parliamentary committee of investigation presented a lengthy report without reaching any definite conclusions. As late as July 7, 1973 the Washington Post published a dispatch by John Cornwell, the correspondent of The Manchester *Guardian*, under the title "Nostalgia for Fascism Grows 50 Years after Il Duce's Start."

It is not difficult to find people in the United States as well as in Italy who (ignoring the dynamics of any dictatorship which include the violation of human rights on a substantial scale) feel that perhaps a new Mussolini, who is then supposed to avoid the mistakes of the first one, is just about needed. Under such circumstances, it would be useful to consider the alternative of a genuine democracy enabling the people by means of majority voting to determine themselves what kind of government they want. Majority voting would practically wipe out the neo-Fascists, and probably weaken the Communists substantially, even if not to the extent that Togliatti feared when, in an article published in the Moscow *Pravda*, he felt that under majority voting the Communist party stood to suffer the fate of minorities which "might split into small groups and sometimes disappear completely."¹⁷

THE CASE OF GERMANY

The Federal Republic of Germany is also illustrative. There, a number of factors unrelated to the electoral system operated to limit the influence of Communists and National Socialists; Allied restrictions played their part, as did the "Sperrklausel." The

Bundestag elected in 1949 still contained elements of fragmentation, but by 1953 the "perception" of the "Wirtschaftswunder" created a "Wahlwunder." In its wake the strength of the Christian Democratic party rose from less than a third to close to half (in 1957 a little more than half) of the total popular vote. In this process the CDU became a party of the Anglo-Saxon type; Otto Kirchheimer called it an "Allerweltspartei," ("party for all the world"). He should have called it a "functional party" in the sense that a party developed which was able to be an instrument of effective democratic government. The SPD at first criticized and demurred, but in 1959 it adopted itself to this trend with the Godesberg program. The elections of 1969 brought the payoff. A Social Democratic Chancellor became possible and his coalition with the Free Democrats was triumphantly confirmed in 1972. Germany, then, has two large and moderate parties, both effective instruments of democratic government.

If this picture looks good we should, however, not forget that it represents a type which Goetz Briefs and Gerhard Schroeder have called a "fair-weather democracy." It is a child of prosperity and lasts as long as prosperity does; with the "recession" of 1966-67, small as it was, there came a crisis. The NPD was able to enter most of the Diets and scored 4.3 percent of the total but failed by a mere 0.7 percent of entering the Bundestag in 1969. Not one of its candidates would have stood a chance under majority voting. With the "Wirtschaftswunder" resuming its course, the strength of the NPD receded promptly, but not before a considerable amount of damage had been done to the prestige of the German Federal Republic.

The question is what another recession will do to the German political system. Besides, there now exists such friction inside both the CDU/CSU and the SPD that leading commentators¹⁸ raise the question whether there may not eventually be several additional parties in the Bundestag. The CDU/CSU finds it hard to maintain its cohesion as the party of the opposition, and the moderate Social Democratic leaders are under constant attack from the leftwingers. In addition, a recent public opinion poll puts Communist strength at 6 percent, enough to place a good couple of dozen Communist deputies in the Bundestag. Such an event would enhance the prospects of either the NPD or some new group of the extreme Right. Even before any such possibility comes to pass its existence engenders a tendency to polarization. The CDU/CSU, having to fear a loss of votes at its Right, is drawn in that direction. The SPD, beset by a pull from the Left, yields to it to an appreciable extent. Nor should we forget the narrowness of the majority upon which Willy Brandt has had to rely since 1969. It has placed a tremendous strain on every member of the Bundestag. Also, because every vote was so important, all vacillating deputies received intense personal attention. The charges of attempt to buy their votes reverberate through the country to this day.¹⁹

THE FRENCH EXAMPLE

In France, the major result of the P.R. system applied during the Fourth Republic was the heterogeneity of the coalitions which so rapidly succeeded one another. According to a French saying the task of government is to foresee and to forestall. There were political leaders with adequate foresight, but they never had the power to act decisively. When Guy Mollet became Premier after the elections of 1956 (the last ones of the Fourth Republic) he knew that he had to come to terms with the Algerian nationalists. But in order to secure a majority he was forced to rely upon groups to his right which were unwilling to accept a policy breaking with the colonial past. Matters went from bad to worse, leading Cyrus L. Sulzberger to com-

ment: "The Gaillard Government is not corrupted by power. It is corrupted by the lack of it."¹⁰ This could well have been said of the Fourth Republic as a whole.

The *immobilisme* of the Fourth Republic also meant that it was unable to reform itself by peaceful means. The revolt in Algiers had to intervene before there could be a change, and General de Gaulle saw to it that the change, when it came, affected the substance as well as the form of French politics. The "authoritarian" features of the new constitution might have meant little in the hands of a government determined to use its provisions only as a safeguard against any new malfunctioning of the country's parliament. But de Gaulle built the presidency into a power of its own which he used not only to facilitate the end of the Algerian war but also to make vital changes in French foreign policy which alienated the "European" and "Atlantic" elements in French political life. Besides, the Gaullist party, as the guardian of these policies, introduced an element of rigidity and of polarization into the French Right, inaugurating a line quite different from the one which traditional Rightists, such as Antoine Pinay and Valérie Giscard d'Estaing, had been trying to pursue. For the time being Gaullism prevails over large areas of policy-making, a reminder of what may happen if a democratic system must entrust its reform to forces outside itself.

The Fourth Republic also saw the Communists rise to an unprecedented level of power. During the municipal and provincial elections of 1954, held under the old type of majority voting, Socialists and Communists polled about the same number of votes. The Socialists outdistanced the Communists decisively in terms of seats. They hoped even to regain millions of votes which had gone to the Communists due to the circumstances of the time. Then P.R. was introduced and immediately the Communists overtook the Socialists both in terms of votes and of seats. In 1956 the Socialists had fallen to 14.8 percent of the votes and the Communists who, unlike the Socialists, were not burdened by participation in heterogeneous coalitions, had risen to 25.38.

Majority voting, reintroduced in 1958, offered a good chance that this process might be reversed. This is quite clear from the results of the latest elections (March 1973). In the first ballot the Socialists and their Radical allies had received 20.36% of the votes and the Communists 21.15%. In the second ballot, however, the voters of the center supported a Socialist candidate more readily than a Communist. The Socialists improved their percentage by winning 25.06 percent, leaving the Communists with 20.61 percent, clearly behind. The Socialists and their Radical allies won 89 seats and the Communists 72.

INDIA'S EXPERIENCE

All of these questions are considerably different in developing countries. Democracy is a government based on the active consent of the governed, and that consent is difficult to achieve if a largely illiterate population cannot ascertain to what it is supposed to consent. Under these conditions it is hard to form large and responsible parties with roots in every part of the nation enabling them to channel both consent and dissent into peaceful water.¹¹

Even with such difficulties, the constitutional structure can make a difference. Thus, in India the Congress Party has for a quarter of a century constituted a bridge between the various segments of a much divided nation. It could never have done so under P.R. Starting with 45.0 percent of the votes in 1952, it reached a high of 47.8% in 1957, dropped to 40.37% in 1967 and made, although at that time divided, a comeback with 45% in 1971 which secured an overwhelming majority of the seats.¹² In the P.R. system of voting the smaller parties might have gained even more votes than they did, leaving the

Congress Party among the "also-rans." Indeed, had all the warring groups been represented according to the voting strength they could be expected to show under P.R. the result might well have been chaos at an early date.

The major drawback of the Indian political system is the splintering among the opposition parties which are divided by ideological as well as regional factors. As a result parliamentary majorities can become excessive; in 1971 Mrs. Indira Gandhi secured two-thirds of the seats. The divided nature of the opposition also implies the lack of an alternative government; on the national level, at least, there is as yet no chance of there emerging a group, or a combination of groups, which could assume responsibility. This is a serious defect but certainly less serious than the collapse of democratic government which P.R. would in all likelihood have produced long since.

THE DEVELOPING NATIONS

There do exist developing countries with a better balanced party system and, as a result, a peaceful change of power from one party to the other, for example, Ceylon and Jamaica. In Ceylon (now Sri Lanka) the political picture is rather complex. Regional differences are substantial enough to prevent the emergence of a two-party system. The integrating effect of majority voting is nevertheless present. Parties attempt to make agreements before the elections and therefore place the emphasis on what unites them rather than on what divides them.¹³

In Jamaica, one party or the other enjoys a majority. If the Peoples' Political Party which won the elections of 1972 can satisfy enough of the hopes it raised during the election campaign, the peaceful alternation of effective governments appears likely also in the future.

A glance at Indonesia suffices to see what may happen under P.R. In the 1955 elections the total number of the successful parties was 28.¹⁴ No stable coalition could be formed, and the slide began toward Sukarno's "guided democracy." There is reason to assume that under majority voting the formation of an effective government would have been comparatively easy. The psychological damage done by the splintering characteristic of the 1955 elections was to survive the downfall of Sukarno. In 1971 when Suharto tried to restore a measure of democracy, the old parties insisted on the renewed use of P.R. A new period of confusion seemed to be the only possible outcome. Therefore, the generals insisted on the formation of a kind of official group which (not without considerable official pressure) secured a majority in the new parliament. Apparently there is now some awareness that there can be no lasting solution on this basis. The present discussion of possible alternatives includes majority voting.

LATIN AMERICAN SYSTEMS

Problems of a similar type are seen in Latin America.¹⁵ Constitutions are, as a rule, inspired by the model of the United States. A president is elected by direct popular vote and cannot be forced to resign by parliamentary censure. Latin American constitutions differ from the U.S. prototype, however, in a variety of transitional solutions between the presidential and the parliamentary type. Furthermore, while the president is elected by direct popular vote, parliamentary elections are likely to be held under some form of P.R. This means that there does not exist that general channeling of political opinion into two major parties which is the prevailing tendency in countries using majority, in particular plurality, voting.¹⁶ The immediate result of the inevitable fragmentation is that the votes of a victorious candidate for the presidency may fall sub-

stantially below the 50 percent level. Chile's late Allende secured 36.3%. Venezuela's two latest presidents were elected by about 30%.

Latin American presidents form coalitions with parties other than their own whenever feasible. Again and again they have, however, been unable to get along with their parliaments. Peru is one of the cases in which such a situation, extending over the years, has been followed by a military dictatorship. Before that stage is reached presidents will make extensive use of the emergency powers contained in most of the constitutions. President Bordaberry in Uruguay was a case in point, even before military pressure became decisive.

Uruguay, at the same time, illustrates the unexpected effects which attempts to make "democracy more democratic" may have.¹⁷ The country's P.R. system works in a manner similar to that of Italy,¹⁸ both between the parties and within each party. According to the *ley de lemas* the number of seats attributed to a particular party, characterized by a so-called *lema*, is governed by the proportion of votes obtained by it in a particular multimember constituency. People express their preferences, however, for a *sublema*, and the seats attributed to a party are subdivided accordingly. Therefore, in the mind of the voter the *sublema* is more than the *lema*; in parliament the *sublema* is at least as important as the *lema*. Thus, it may be all but meaningless if one of the traditional parties, the *Blancos* or the *Colorados*, has a majority of the seats. Whether a working majority can be achieved depends upon coalitions of *sublemas*.

This system has also been adapted to presidential elections. Presidential candidates are named by the *sublemas*. It is for these that the people vote. Then the votes cast for all the *sublemas* of a particular party are totalled and whichever *lema* leads in this race wins the presidency. Finally, that office goes to the candidate of the highest *sublema* within that particular *lema*. The result is that whoever wins has the direct support of only part of his own *lema*. In order to secure a majority for his policies he has to bargain with other *sublemas* of his own, and sometimes of the other party.

As in Italy, this system turned out to be tailor-made political paralysis. This is true in spite of the fact that Uruguay is not beset by the major troubles of developing countries. There is no population explosion, and the country's basic economic potential is such that a decade ago a book could appear under the title: *Uruguay: Un país sin problemas—en crisis* ("Uruguay: A Country without problems—in Crisis"). The trouble is that too much was allowed to go wrong for too long. Even when solutions for serious problems were obvious, no one had the power to carry them out.

In Chile, faulty political structures likewise played their part. President Frei, in 1964, was elected with more than half of the popular vote. Had there been a parliamentary election on the same day he would have obtained a workable majority in both the Chamber and the Senate. However, a misapplied check-and-balance-type thinking meant that he had to work for several months with two hostile parliaments. There was no happy political honeymoon for him and his "revolution in freedom." By the time elections took place to the Chamber of Deputies, his party's share of the total vote had declined to 45 percent. Still, a lucky distribution of the voices enabled the Christian Democrats to secure an adequate majority, something highly unusual in Chilean politics. But the Senate was renewed in sections and Frei never held a majority in that body. As a result, he could never work with the *élan* which his program needed if it was to succeed.

The final blow was a result of the constitutional provision that a president can-

Footnotes at end of article.

not succeed himself. This kind of rule makes sense in countries where there is a real danger of a president making himself a virtual dictator by repeated elections. Such a consideration might be valid for certain other Latin American countries but hardly for Chile with its tradition of honest elections and devotion to democratic procedures.

In the election of Allende (1970) the old drawbacks of the combination of presidential elections by direct popular vote with P.R. for parliamentary elections reappeared in full. Allende, heading a combination of half a dozen groups, secured 36.3% of the votes. The rightwing candidate Alessandri won 34.98%, and the official Christian Democratic standard-bearer Tomic, 27.84%. According to the constitution, the decision between the two front runners had to be made by parliament. It is customary that the nod is given to the candidate with the largest popular vote, no matter how small his plurality. Thus, Allende became President. His own personal preferences lay with democratic procedures, but some of his followers (whom he was not always able to control) were of a different persuasion. That, in the end, Allende was overthrown by a military action constitutes an historic aberration for Chile. When evaluating this fact we should, however, bear in mind what Israel Shenker (in his article in the *New York Times*, September 12, p. 16) termed Dr. Allende's "basic problem": "The Socialist program he favored had no electoral mandate, his militant supporters gave him no respite and his opponents no relief, and the Congress with which he had to govern opposed him. The opposition had the simple majority required for impeachment in the Chamber of Deputies, but not the two-thirds needed in the Senate."

There is some reason to hope that the long schooling in a tradition so strongly wedded to civilian authority has not died overnight in Chile, perhaps not even in its military. The Junta promised to return to constitutional government as early as possible. Its resolution to do so would be strengthened by the realization that what set Chileans against Chileans was not evil intentions; it was genuine political idealism misguided into fanaticism by "improper channels of government." If, at the moment, Chile's new masters seem far from such a realization the reason lies, in good part, with the fact that certain basic insights have, for some time, not been a part of the mainstream of Western political thought.

WHAT IS TO BE DONE?

We may now ask, what is to be done in regard to the complex of problems outlined in this paper? The first need is for intellectual clarification. Basic research is required with respect to some of the more general aspects of the matter. Still, in regard to most of these problems a systematic discussion will lead to definite answers. Theoretical analysis can be a reliable guide for political action.

In the last resort the work must be done on a country by country basis. The bundle of variables connected with the constitutional structure—the framework of government, as the Founders of the American Republic called it—must be placed in relation to the social and economic life of a particular country as well as to geographic and historic reality. Furthermore, in the approximation of theory to practice we must be guided by common sense. What needs emphasis depends upon time and place. It is only necessary that systematic questions should not be obliterated by detail, something which those who speak of "comparative politics" rather than "comparative government" at times forget. There does, however, exist a substantial number of studies upon which it is possible to rely.

Academic work must be undertaken in close cooperation with those representatives

of practical politics and of journalism who are interested in such matters. Certainly, the politics of this day and age demands so much attention to the ever-changing scene that the number of those who manage to relate concrete events to general principles is limited. But even during the 18th century people like James Madison, Alexander Hamilton, John Adams and James Wilson, who could encompass theory as well as practice, were the exception rather than the rule. The pressures on *modern* journalism are stronger than ever. In the gathering of news, quantity threatens to outstrip quality. Still, what the French called *journalisme de profondeur* is not dead. The principal need is to persuade newspaper owners that in the vast department store to which the modern daily has often been compared, there ought to be some floor on which those interested in quality can find what they want.

Whatever action is required cannot, of course, be provided by governments. Precisely in this field we need "citizens' diplomacy," a cooperative effort in which people from as many countries as possible join. Whenever and wherever there is a chance for action this is up to the citizens of the country concerned.

In one respect leading democracies could do more than they are now doing: They could try to develop an awareness of these problems within their own organizations. This means primarily the foreign offices. If a situation presents itself such as that after the German surrender when the English or the American governments were called upon to do something about Germany's constitutional structure a systematic (and if possible rational) policy would have been useful. There was none at the time, and the same goes for the treatment of Italy and Japan.

Last, there is now in all democratic countries an accumulation of diplomatic reports dealing with developments in a number of countries. Most may be of small moment, but some are excellent—often in style as well as content. No one at present tries to evaluate these reports centrally so their results can be made available to those dealing with comparable problems. One of the difficulties in such an enterprise arises out of the frequent rotation of diplomatic officers. Academic institutions might help in establishing continuity.

At any rate, we need a reliable framework for freedom. Constitutional guarantees for liberty may in the words of James Madison be "mere parchment barriers." They are more than that only when we have a political structure capped by a government which, based on the consent of the governed, contains enough checks within itself to make it respect the people's rights and at the same time, is strong enough to provide for the nation's needs and form an effective defense of freedom against its enemies.

FOOTNOTES

¹ The true meaning of the tenth essay of *The Federalist* was stated most vigorously by Walter Lippmann, here quoted from his column in *The Cleveland Plain Dealer* of October 3, 1940, entitled "On the Debunking of History." For a discussion of the entire complex of problems, and reference to some of the pertinent literature, see my *The Representative Republic* (Notre Dame 1958), pp. 428 ff. The second German edition of this volume, published under the title *Verfassungslehre* (Koeln-Opladen 1968) and the Italian edition entitled *La Democrazia Rappresentativa* (Florence 1968) bring the material up to date.

² *On Civil Government*, Bk II, Chap. VIII.
³ World's Classics Ed. (London 1928, pp. 137-38)

⁴ *Democracy or Anarchy? A Study of Proportional Representation*, Notre Dame, 1941, reprinted in 1972 by the Johnson Reprint Corp., N.Y. p. 356.

⁵ This happened under the list system rather than under the Hare system of P.R. The difference has, however, no bearing on the problems involved. See *Democracy or Anarchy?*, op. cit., pp. 43-50.

The countries which adopted P.R. and in which democracy failed are Italy, Germany, Austria, Poland, Latvia, Lithuania, Estonia, Bulgaria, Greece, Yugoslavia and Czechoslovakia. The total population of these countries was (as of 1937) 198 million. The nations with P.R. in which, up to the outbreak of the war in 1939, democracy had survived, are Ireland, Belgium, Luxembourg, The Netherlands, Switzerland, Denmark, Sweden, Norway and Finland. Their total population, as of the same date, was 40.6 million.

⁶ Werner Kaltefleiter. *Wirtschaft und Politik in Deutschland*, 2nd ed. Koeln-Opladen, 1968.

⁷ *Camera dei Deputati, Discussioni*, Legislature XXV, p. 1973.

⁸ For some details see Ferdinand A. Hermens, *Europe Between Democracy and Anarchy*, Notre Dame 1951, pp. 160-61.

⁹ The *New York Times*, April 7, 1947.

¹⁰ Issue of February 17, 1948.

¹¹ Sergio Ortino, "Proporz und Staatskrise in Italien," *Verfassung und Verfassungswirklichkeit*, Cologne and Opladen, 1969, pp. 82-122.

¹² June 17, 1973.

¹³ Issue of March 7, 1956. The title is, in translation, "On the possibility of using the parliamentary path for the transition to Socialism."

¹⁴ Alfred Rap, "Bleibt der Bundestag ein Dreifaktionen-Parlament? Auch seit langem Gewohntes kann sich ändern," *Frankfurter Allegemeine Zeitung*, May 24, 1973. Christian Graf von Krockow, "Vier, fuenf oder mehr Parteien?" *Die Zeit*, May 4, 1973.

¹⁵ For details see my article, "Sicherung, Ausbau und Vernakierung des parlamentarischen Systems in der Bundesrepublik," *Verfassung und Verfassungswirklichkeit*, Koeln 1972, part I.

¹⁶ The *New York Times*, March 15, 1958.

¹⁷ For some aspects see my article, "Politische Form und Entwicklungsländer," *Jahrbuch des Landesamtes für Forschung*, 1967, pp. 217 ff.

¹⁸ For a survey of the Indian political experience see Horst Hartmann, "Die Bedeutung der vierten allgemeinen Wahlen für die Stabilität der parlamentarischen Demokratie in Indien," *Verfassung und Verfassungswirklichkeit*, 1968 I, and that author's book *Political Parties in India*, Meerut, Kampur, Delhi 1971.

¹⁹ Until a few years ago tendencies toward national integration were strong enough to warrant a certain optimism, as was emphasized by A. J. Wilson in his paper, "Singhalese-Tamil Relationships and the Problem of National Integration," *Ceylon Studies Seminar Papers No. 1*.

The elections of 1970, with the victory of a Left coalition, led by Mrs. Bandaranaike's "Sri Lanka Freedom Party," brought a marked polarization. Even in this case, however, the integrating effects of plurality voting were in evidence. Due to this fact Mrs. Bandaranaike's relatively moderate party secured an over-all majority, without its Communist and Trotskyist allies, to whom, however, it remained faithful.

In April 1971 an insurrection by young ultra-Leftists led to a brief, but bloody, civil war. It was followed by an economic stagnation accompanied by a population increase of close to three percent per year. Many critics attribute economic stagnation to the policies of the new government under whose predecessor annual growth reached eight percent. This is not the place to discuss details but it is evident that in a country such as Ceylon economic policy, as much as decisions in the field of constitutional structure, can make or break a nation.

²⁰ Axel Ridder, "Wahlen und Überparteiliche Machtbildung in Indonesien," in *Verfassung und Verfassungswirklichkeit*, 1967, pp. 257 ff.

²¹ For an attempt to take up the salient points of the Latin American experience see my article "Constitutionalism, Freedom, and Reform in Latin America" in Frederick Pike (ed.) *Freedom and Reform in Latin America* (Notre Dame 1959).

²² Exceptions, such as those in Canada, where more than two parties secure substantial representation in parliamentary bodies affect the type of government only marginally. For Canada see Karl Franzen, "Parteien-System und nationale Heterogenität—der Fall Kanada," in *Verfassung und Verfassungswirklichkeit*, 1966, pp. 258 ff.

²³ Ernst Kerbusch, *Das uruguayische Regierungssystem: Der Zweite Colegio 1952-1967*, Demokratie und Frieden, Band 12 (Köln 1971) has analyzed the constitutional experience of Uruguay in detail.

²⁴ In Italy the voter has several "preferential votes" with the help of which he selects individual candidates from a party list. Practically, these votes are cast for members of a certain "corrente" within the party, and the result is a "correntocrazia": the various "correnti" may all but destroy their party's unity and effectiveness.

AN ANCIENT REMEDY FOR TODAY'S INNER CITY ILLS

(MR. HAWKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

MR. HAWKINS. Mr. Speaker, I have heard recently of a most unusual pilot project in which an ancient remedy was employed to treat certain inner city ills—ills which are costing this country dearly both in human misery and in taxpayers' money. I would like to share this information with you, Mr. Speaker, and with my colleagues on both sides of the aisle, because, according to the latest official statistics, the ills to which I refer are becoming more and more prevalent in the suburbs and in rural areas as well as in the inner cities of this Nation from coast to coast.

One might be tempted to declare the remedy now being presented for treating these debilitating ills a "new wonder drug" except for the fact that it dates back to at least 1500 B.C. As to whether it was developed first in Egypt, Phoenicia, Palestine, or Crete, the authorities differ. They agree only that it was refined and cultivated in Greece and spread from there throughout Europe and the Western World.

Some 2 months ago, a Miss Emily C. Hammond came to see me to interest me in this ancient—and by the way, relatively inexpensive—remedy, knowing of my concern for the disadvantaged, particularly disadvantaged children, everywhere.

Miss Hammond cautioned at once that this remarkable remedy is no "cure-all." It is neither a "little pink pill" nor a miracle mixture.

It will not cure headache, toothache, stomach ache, or the common cold; it will not cure measles, whooping cough, or gout. But according to Miss Hammond it will ease tensions and frustrations that often lead to juvenile delinquency and crime. It will raise a child's I.Q. scores dramatically. It will unlock doors

of the mind to knowledge and skills that could go a long way toward equalizing not only educational opportunity but job or professional opportunities as well. At the very least it would be bound to enrich many Americans who otherwise would live out their lives in both material and cultural poverty.

For those who have not already guessed Mr. Speaker, this remarkable ancient remedy is none other than the phonetic alphabet and its golden key, alphabetical phonics. Alphabetical phonics is the method by which children were successfully taught to read for centuries until some well-meaning professors began experimenting with an easier and more "fun" way to teach children to read and the "whole word" method came into vogue back in the 1920's, spreading from Teachers' College, Columbia University, throughout most of the school systems of the United States.

Last summer, in Washington, D.C., under the sponsorship of the Reading Reform Foundation, Miss Hammond conducted a two part demonstration project in alphabetical phonics which she called the first "R": First, teacher-training in how-to-teach reading by the intensive alphabetical phonics method; and second, how-to-read classes taught by the foundation-trained teachers.

The result: Fifty-eight mostly inner city District of Columbia children during a 6-week period increased their reading ability by an amazing average 2.2 grades.

Now, Mr. Speaker, I do not claim to be an expert in teaching to read and I know that "one swallow does not make a summer." However, considering the spotty record of the public schools—which teach reading, as I understand it, either by the "whole word" method or by a mixture of "whole word" and phonics with too little phonics brought in too late—the achievements of the District of Columbia phonics project, I believe, demand our attention and consideration.

I submit, therefore, that the Congress of the United States should authorize a massive study in methods in teaching to read—including both the whole word method and the intensive phonics method. Some such study might be done under title VII—national reading improvement program—of the Senate-passed Education Amendments of 1974. The Senate Committee on Labor and Public Welfare says in its report on S. 1539:

The committee is not wedded to any particular approach in the teaching of reading, and hopes that the Commissioner will award contracts to applicants proposing to use the phonetic method or modifications thereof, as well as those proposing to use the whole word method. . . .

In the meantime, Mr. Speaker, I insert at this point in the RECORD: First, Miss Hammond's report on the District of Columbia phonics demonstration which she presented to the Reading Reform Foundation's 13th Annual Conference at the Sheraton Park Hotel, May 17, 1974; second, a short article by Miss Hammond which appeared in the All Souls Memorial Episcopal Church Message, October 14, 1973; and third, a short piece entitled "Reading Tests Show Widespread Illit-

eracy," by Eric Wentworth from the Washington Post, May 4, 1974:

THE FIRST "R"—A REPORT

(By Emily Cuyler Hammond)

Madame President, honored guests, friends. . . .

When I say "friends" I include not only all advocates of intensive phonics, but also all men and women who are laboring, by whatever means, for the elimination of illiteracy in the United States. Our common goal makes us friends, I feel, in spite of our differences.

Since we are friends and because of the continuing severity of the reading crisis and its admittedly debilitating effect upon our democracy, especially in context of our Twentieth Century Age of Crisis which challenges our very survival, I ask that all of you, those who take the phonic approach to teaching reading and those who prefer some other way, hear me this morning with an open mind. There are truths that I have to tell which, to some, may be hard to believe.

PILOT PROJECT, 1971

The story of the D.C. program. The First "R," had its genesis early in 1971 when Mr. Watson Washburn, Reading Reforms beloved founder, endorsed a suggestion of mine and agreed to sponsor a demonstration project in intensive phonics here in the Nation's Capital. Washington is the showcase for the rest of the country. All eyes are on us. It seemed to me that, as demonstration speaks more convincingly than argument, if we demonstrated that we really had taught a random sample of inner city D.C. children how to read, the grass roots would hear about it fast, from Maine to Florida, from New York to Los Angeles, and ask: "How? How did you do it?"

To assure excellence, Mr. Washburn assigned Mr. Robert C. Price, Reading Reform's Executive Vice President and a nationally-known teacher of intensive phonics, to teach in Washington. However, Mr. Price, who lives in Roanoke, Va., felt that he could not take time out from his other Foundation duties to conduct five or six classes a day of from 20 to 30 D.C. youngsters each all through the summer as I had envisioned.

Instead, it was decided that Mr. Price would put on one of his famous 2-week teacher-training workshops. All trainees who signed for the tuition-free course would be obligated to teach at least three children by the phonics method that summer.

Teacher-training recruitment was through distribution of informational fliers by nine area churches and various interested individuals.

After delivering two orientation lectures, Mr. Price started teaching his 7:30 to 9:30 p.m. 2-week course at Calvary Episcopal Church parish house on July 12, 1971.

Enrolled among others were seven elementary school teachers, a number of government workers, two registered nurses, a beautician and a clergyman's wife who wanted to open her own reading center—38 in all. Of these 38 more than two-thirds failed, for one reason or another, to follow through with their end of the teaching bargain. Of those who did, two taught in a Montessori center, one at the Sick Children's Hospital and one at another hospital, a bedridden spastic young man in his mid twenties. The rest held their classes in churches.

The overall increase in reading ability that summer was one full grade.

From the point of view of the Foundation, the 1971 project was a success.

From my point of view, for the purpose of proving to a skeptical public the dramatic validity of intensive phonics as a how-to-teach-reading method that really works, I felt the 1971 project served as a *pilot*—a very worthwhile pilot—not a demonstration.

Nonetheless Pilot Project 1971 did add up to two big pluses: First, Mr. Price and I met so many fine, dedicated people. Second, although we made a number of mistakes, we learned many valuable lessons.

LESSONS LEARNED FROM PHONICS PILOT 1971

(1) Applicants for phonics teacher training should be screened for their own reading proficiency.

(2) Phonics teacher trainees should have to pass a comprehensive examination in phonics before being certified to teach phonics.

(3) One-hour-a-day, five days a week for a total of 30 hours teaching children to read is simply not sufficient to make any viable showing of children really able to read—especially young, inner-city children.

(4) Program duration should be uniform for all participating centers.

(5) In order to obtain and maintain quality control, supervision and teacher-counseling by a phonics specialist should be always available.

At a meeting in New York, just after Christmas 1972, Mr. Washburn reviewed our findings and agreed to sponsor a new D.C. project on an expanded and more structured basis.

DEMONSTRATION PROJECT 1973

On March 15, 1973, I began canvassing clergymen, day-care center directors and directors of other educational and welfare organizations throughout the area, but primarily in the inner city. I asked for three things: (1) Promotion through distribution of informational fliers; (2) free class-room space; and (3) if applicable, permission to teach in their nursery schools or day-care centers.

On May 10, 1973, Mr. Price delivered an orientation lecture at Shiloh Baptist Church from 4 to 6 p.m. and the identical lecture from 7:30 to 9:30 p.m. at All Souls Memorial Episcopal Church—with an overall attendance of about 65.

The following day at the same hours and the same two places, Mr. Price administered reading tests and I interviewed each employee regarding education, occupation, and plans for fulfilling his or her obligation to teach.

Forty-six applicants of those who made out and signed registration cards—answered "Yes" to the following question:

"Do you agree, if you take this RRF course, to teach, for a minimum of 100 hours, at least 3 persons how to read by the RRF method under overall RRF supervision?"

This time we started out with 15 "teachers," four "student teachers," seven "day-care center teachers," five "day-care center directors," three "nursery school directors," four government workers, two secretaries, a beautician, a mechanic, an artist, a poet, and a retired librarian. (The retired librarian, who came from Baltimore for the course, is still teaching phonics in a remedial reading center there.)

The Reading Reform Foundation, as I understand it, does not recommend any one intensive phonics system over another. But of course one had to be chosen for use in the D.C. project. Mr. Price decided on a nonsense paperback entitled "Sure Steps to Reading and Spelling" by Dr. M. Herbert Weiss, put out by the Weiss Publishing Company, Richmond, Virginia. Each trainee received a book and a manual free.

After the mid-course exam we suffered heavy trainee losses, and after the final exam a surprising number disqualified themselves by failing to pass. A number of others left us to take a summer job, to take a college course for credit or a vacation in Hawaii.

OBSTACLE RACE

Immediately following the close of teacher-training, Mr. Price returned to Roanoke

and my real troubles began. I found myself running up the down staircase and down the up staircase in day-care centers all over town.

To my chagrin I encountered several early childhood education specialists who didn't want any child under seven taught to read. It was not just that they were against phonics, they were against reading by any method for children under seven. They were sincere and determined advocates of "all play and no work" before that magical age. Then there was the "20-minute attention span" syndrome; the "enrichment without reading" syndrome; and the "freedom of self-expression just short of self-destruction" syndrome. In several centers I saw children banging expensive toys to bits sometimes over one another's heads without being corrected by the "teachers" present. In one center that I had visited earlier and in which we did not teach, I saw a child of 5 or 6 stoning a cat. The "teacher" who witnessed this expression of playful cruelty made no move to stop her.

The day-care centers varied from excellent where caring prevailed, where a barrel of fun was had by all during play-time but where attention and quiet was demanded during "work" periods—to pandemonium.

Of the twelve day-care centers in which How-to-Read Classes were scheduled to take place, two never "got off the ground" because reading would have been at the bottom of the list of priorities. One closed because its funding was exhausted. Four others dropped by the wayside or were disqualified for a variety of reasons. But for the most part they had to be terminated because of the really horrendous amount of pupil absenteeism—a predictable hazard that apparently hits day-care centers after school closes in the summer when older children can take care of their younger brothers and sisters.

This left only four day-care centers, three remedial reading centers and one public school with How-to-read-by-phonics classes to cross the finish line.

Of the 44 participants who completed Mr. Price's work shop only 23 began teaching How-to-Read Classes as they had agreed to do and only ten satisfactorily completed both teacher-training and teaching three or more children for one hundred hours.

To assure objectivity, the children were tested both before and after the 6-week How-to-Read program, by volunteer professional teachers and testing and guidance counselors unknown to the phonics teachers or the children and unconnected with the Foundation. The reading sub-test of a nationally accepted, widely used standard test was administered.

Of the more than 300 children tested in the day-care and other centers in June, only 58 approximated the 100-hour requirement and qualified for final testing.

Rewards

As formidable as were the obstacles facing The First "R", the fact that they were surmounted makes the final results the more gratifying.

The average reading level of the 58 children remaining in the program was raised, in approximately 80 hours of teaching time (100 hours minus time out for lunch and "breaks") by 2.2 grades.

A better indicator of phonics' powers and of The First "R"'s success may be found in a few flesh and blood examples.

(Names and test scores used here are by parents' consent.)

Julia Erazo, age 7, a native of Chile, in the United States for only one year, speaking only Spanish at home, was reading at grade level 2.5 when tested on June 18th and at 14.7 when tested on July 27th—an increase of 12.2 grades.

Michelle Randolph, age 9, a native born American black, was reading at grade level

5 when tested on July 3rd and, in spite of almost constant bedlam caused primarily by two other pupils in the class she attended, she was reading at grade level 15.3 when tested August 13th—a grade level increase of 10.3.

Anthony Perry Davis, age 10, a native born American black was reading at grade level 2.8 when tested on June 18th and at grade level 13.5 when tested on August 3rd—a jump of 10.7 grades.

Burnadette Burnley, age 9, native born American black, was reading at grade level 5 when tested on July 3rd and at 12.6 when tested on August 13th—a 7.6 grade increase.

Among the pre-schoolers Keila Bright, age 4, native born American black, scored at grade level 1.3 (that is she could pick out letters of the alphabet out of order and could read the one word "cat") when she was tested on June 7th, and at grade level 4.8 when she was tested on August 3rd—an increase of 3.5 grades.

Amperita Wiley, another native born American black, four years old, scored at grade level 1.2 when first tested on June 6th and at grade level 4.8 when tested again on August 3rd—an increase of 3.6 grades.

A word about these test scores: They do not represent "total reading"—especially in the case of those children who increased ten, eleven, twelve grades. I do not believe these children nor indeed some who have challenged the validity of their tested ability can now or ever can "totally read." That is, no one can totally comprehend every word they are able to read, or decode.

Biological terms, mathematical words, even the words "phoneme" and "grapheme" may stump many quite well educated people as to exact meaning when they first read them.

These scores represent measurements of decoding, that is reading ability. But they represent more. They indicate that these children can read and comprehend considerably better than their grade levels because all children's speaking and listening vocabularies are a great deal more extensive than the word lists usually taught in the first, second and third grades. Furthermore, in the teaching of phonics—at least as taught by Mr. Price and the teachers he trained—the meaning of a word is learned immediately following its decoding.

Reginald Corder of the Educational Testing Service in his massive final report on the Information Base for Reading quotes Wiener and Cromer as follows:

"If the definition of reading is limited to identification of decoding skills, and these are viewed as a necessary step prior to the acquisition of comprehension, then the task of the reading teacher would be simpler and the diagnosis of reading problems could be restricted to problems in learning to decode."¹

LESSONS LEARNED FROM DEMONSTRATION PROJECT 1973

There is not sufficient time this morning to go into the many lessons we learned from The First "R." However, one important lesson must be mentioned. Except for very bright children with analytical minds, phonics does not teach itself; neither does it produce "instant learning": The teacher counts. She must not only "care" and want the children to learn, she must know her subject thoroughly and she must know how to teach it. She must be motivated herself to be able to motivate children. Most children want to learn to read; only by frequent failure to learn do they lose their motivation.

The teacher who tries intensive phonics with an open mind, with patience and with-

¹ Wiener, Morton & Cromer, Ward. Reading and reading difficulty: a conceptual analysis. *Harvard Educational Review*, 1967, 620-643.

out expecting instant learning, will be richly rewarded.

CONCLUSIONS

My friends, let no one tell you that economically and culturally disadvantaged children, black or white, are doomed, many of them, to remain illiterate. This simply is not so. Taught the right way by self-confident teachers in an atmosphere of caring and expectant accomplishment, they can learn to read. They may take a little longer than the culturally enriched moppets who live in the suburbs, but they can do it and once they can read they can seek, if they want to, cultural enrichment for themselves.

My friends, I am convinced that, by intensive phonics, with God's help and yours, we can and we will survive the reading crisis. Dr. Ruth Love Holloway one fine day will be able to call a news conference to announce the good tidings: The surveys all show, she will be able to say, that, except for the brain-damaged and a residue of elderly people who could not be reached, functional illiteracy has been eliminated from the United States.

But, my friends, let us not fool ourselves, our victory over illiteracy, while it hopefully would mitigate, it alone certainly would not assure our survival of any of the other malaises with which illiteracy is so often associated: widespread drug abuse, widespread school dropoutism, juvenile delinquency, crime.

Teaching to read bestows a kind of freedom: The freedom more easily to learn the other two R's of basic education; the freedom to choose among a myriad of options.

All freedom, the sages warn us, must be accompanied by responsibility both on the part of him who bestows it and of him who receives it—or eventually freedom itself will be lost and democracy destroyed.

The child set free in an asphalt jungle to read whatever he wants to read does not know which path—or which book—leads where. He would be greatly facilitated in exercising his options, if he were given a few guiding principles, at least two or three.

Take "truth" . . .

What is truth?

Any two-year old knows whether he has or has not had his hand in the cookie jar.

In teaching to read, preferably in Kindergarten by intensive phonics, if we would at the same time instill no more than cookie-jar truth, color-blind justice and brotherhood, we would be on our way out of this modern dark age of multiple crisis into the light of a truly good society.

EXHIBITS

And now I would like to introduce my Exhibits A, B, and C. Taking the alphabet out of order, I will begin with Exhibit C—C for Cheree. Cheree Saunders was just 2½ when the First "R" How-to-Read Classes started last June. I had declared a ban on anyone under 4 as a small olive branch extended to those Early Childhood Education specialists who believe that no child under 7 is ready to read. But Cheree was in Mrs. Holston's Montessori center and there was nothing to do but let her sit in on the phonics lessons. To the astonishment of the examiner, Cheree, when first tested, already knew the alphabet in and out of order; she could match letters; and recognize the word "cat." After 6 weeks, Cheree tested out at exactly the same—no more, no less. However, Mrs. Holston continued the teaching of phonics. Within a few weeks Cheree had caught on to the sound-symbol relationship. She began reading one-syllable words; then two-syllable words; then three syllable words.

Cheree turned three in October and Mrs. Saunders took her small daughter to the public library to pick up some books. Cheree was making her selection when her mother asked if she could have a library card.

"I'm sorry," the librarian explained. "We give library cards only to children who can read and who can write their names."

That, of course, was no problem. Cheree read what was put before her and then signed her name beautifully. She certainly must be the youngest card-carrying public library reader in the District of Columbia.

The other day Cheree was looking over the morning newspaper when her mother asked

"Oh, sure," said Cheree pleasantly. "I'll read about Nixon later."

Will Miss Cheree Saunders please stand up.

Stand on the chair, please, Cheree, so everyone can see you and hold up your library card. . . .

Thank you, Cheree. You can sit down now.

Friends, permit me now to present my Exhibit A, Miss Tina Holston. Tina was our star teacher in Phonics Pilot 1971 and therefore, of course, the star of the film of Pilot 1971 which Mr. Price showed and many of you probably saw at the Foundation's 1972 conference. Tina obtained her B.S. degree in Early Childhood Education from D.C. Teachers College. She received her Masters degree as a reading specialist from the University of Missouri.

She worked for 2 years as a reading specialist in the Program Development branch of the D.C. public school system, before she and her mother took part in our first project. She then persuaded her mother, her sister, two brothers and a half dozen friends to take part in the First "R"—before she deserted us for Oakland, California. Ladies and gentlemen, I give you Miss Tina Holston.

TINA HOLSTON. Good morning, Fellow Reading Reformers; how are you? I am glad to see you all.

Since the Conference began, we have had a lot of talks about the reading crisis. Now we know the origin of the reading crisis; we know why Johnny can't read; we know how and when it happened to Johnny. I am here today to talk a little bit about the intensive phonetic approach to reading, which is Johnny's road to literacy. As Miss Hammond has said, I am a Reading Specialist, and I went through the whole gamut of the reading program, in Missouri, taking all types of reading courses and teaching the inner city child to read, teaching the outer city child to read, teaching the poor child to read, teaching the turned-off adolescent to read—and I came out equipped with a lot of packets for individual people.

The frustration level was so high because I could not teach people to read. I had many more failures than successes—and I hate failures when it comes down to human beings. So I came back to Washington, D.C. and ran into Miss Hammond and Mr. Price and took the intensive phonics approach to reading which the Reading Reform Foundation gave. I said to myself during the course, "Well, I'll sit here—I've heard this before—and I'll give it a chance; I'll try it, the intensive phonetic approach." We had had the phonetic approach, but with the whole-word method and all this mixed up instead of the plain intensive phonics; so I said, "I'll try it—just try it." I started out working actually with 2½-year-olds to 60-year-olds; and the success rate was fantastic. I want to give some personal accounts of what happened. Now my first group was children from age 2½ to 5. There was immediate success. There was success in that children started sounding out words—and they could hear it. It was so fantastic, and they would start reading everything. When I came home yesterday, Kelsey, whom Miss Hammond has spoken about, (they love to read anything now!) grabbed my card and read "Tina Holston." I said, "How about the top part?" She read "Reading Reform Foundation, 13th Annual Conference." I said, "What is that all about?" She told me something about a conference in reading.

I think the pleasure or the most rewarding thing that happened to me was when I worked with the drop-outs. Now these were brothers and sisters who had dropped out of school because of the reading problem—the reading crisis. They could not make it in school, could not really make it in life. The frustration level was high—I guess the classic example of the drop-out: defeated, angry, and hostile. Some of the students said, "Well, I work hard during the day," or "I can't be bothered, so I'll start two days a week." Two days a week. It ended up every night (we had said one hour) from 7:00 to 11:00—every single night.

We spent any spare time, like on Saturdays, reading. It was amazing and also very rewarding and uplifting, just to see individuals—human beings—develop growth, becoming men. One of my students who was 27 years old came in one day after several lessons and was very happy. He said, "Dig what happened!" "I went down to Montgomery Ward's, was able to write my own check; and you talk about somebody feeling good—I feel good! I can walk down the street now, read signs, understand what is going on, and I can read to my children!" This is really fantastic!—the joy of teaching somebody to read, and teaching adults to assume manhood or womanhood—teaching reading! Reading opens up a whole new world. We had, even after 11:00 P.M., many hours afterwards—just about philosophies; and you could see the changes. You could see the changes in their goals . . . changes in what was important in life. There was no hostility to anybody, saying that this was the cause, because a whole new world was opened up. They could be human—and that's what it's all about!

Today we are really honored to have one of our students who happens to be my brother. For a long time he had been into a bag of limbo; he was one of the students who took the course along with a lot of his friends. He has grown a great deal . . . we have had many sessions. I can see the development in character. I think Mrs. LaDine talked about character development yesterday. You wouldn't believe it, but reading has something to do with all of this! So I want to invite Donnie Holston up to say a few words.

DONNIE HOLSTON. Thank you, Tina. I would like to say good morning to everybody. It is true about the goal changes, really! I started out when I took the course just to take it so I could be a Parts Manager or something like that. But after learning to read I got a job in a law firm as a researcher. Now I'm Vice President of Holston Originals.

LEARNING TO READ AT ALL SOULS

(By Emily C. Hammond)

Anyone who can read supercalifragilisticexialidocious can read just about anything.

This is exactly what happened to children in the Reading Reform Foundation-sponsored class conducted at All Souls' last summer. They went to Mary Poppins guided flights to the wonderland of sound and symbol, learning how to read not only nonsensical, tongue-twisting, rib-tickling whimsies, but also practically any of those commonsensical stern-faced facts and figures that would help them in school.

To Miss Margaret Payne, a public school teacher, Foundation-trained in intensive alphabetical phonics, great credit is due. In the ridiculously short period of six weeks, in spite of having to compete with planned-in-advance summer vacations, 90 degree heat, and chronic pupil absenteeism to go swimming or fishing, she managed to inspire her young charges with the desire to excel—as the test scores show.

To assure objectivity, the children were tested, both before and after the course was

given, by volunteer, professional school teachers, unknown to Miss Payne or the children and unconnected with the Foundation. Nationally accepted, widely used standard tests were administered.

Judin Erizo, age 7, a native of Chile, in this country for only one year, speaking only Spanish at home was reading at grade level 2.5 when tested on June 18th and at 14.7 when tested on July 27th—a whopping increase of 12.2 grades.

Ana Hidalgo, age 7, a native of San Salvador, in this country for only one year, speaking only Spanish at home, jumped from 4.1 to 15.6, an increase in reading ability of 11.5 grades.

Eric Buadu, age 10, a native of Ghana, Africa, in this country three years, with no knowledge of English upon arrival, speaking only Twi at home, jumped from 4.1 to 11.6, an increase in reading ability of 7.5 grades.

Gustavo Rivero, age 7, American-born son of a Cuban father and a Guatemalan mother, speaking only Spanish at home, rose from 3.6 to 7.8, an increase of 4.2 grades.

Edwin Rojas and Carletta Carter, both age nine, also leapt ahead in reading ability and received honorable mention.

Naturally, all of the children did not do as well as those front runners. Nevertheless, Miss Payne performed the feat of raising the reading level of her class an average of 4.2 grades in approximately 80 hours of teaching time!

On July 27, before a small but select audience, the All Souls class celebrated commencement. Each child had the opportunity to read aloud. Prizes were awarded and citations recorded. Mr. Hewlett, after congratulating Miss Payne and her pupils on their achievements, asked God's blessing on them in their future undertakings. Finally, party favors, ice cream cones and cookies were enjoyed by everyone.

All Souls Memorial Church and Shiloh Baptist Church made unique contributions to the Reading Reform Foundation's two-part D.C. project by playing host to the teacher training courses held for two weeks in May as well as the How-to-Read classes during the summer. Twelve How-to-Read classes took place in day-care centers, in one public school and at the Salvation Army. The overall results were extremely gratifying.

The question arises: If the Foundation has had so much success in teaching to read, why have not the public schools had equal success?

The answer is method. By-and-large, the public schools use the "whole word" on "look say" method; the Foundation advocates intensive phonics.

There have been a number of calls received from neighborhood parents inquiring when the reading classes would start again. While there are no present plans for repeating the course, it is hoped that arrangements may be made.

[From the Washington Post, May 4, 1974]
READING TESTS SHOW WIDESPREAD ILLITERACY

(By Eric Wentworth)

About one million American youth 12 to 17 cannot read as well as the average fourth grader and can thus be called illiterate, according to a new government report.

Reading test scores were worse among blacks than whites, boys than girls, and youngsters from low-income families with less-educated parents than those from more fortunate backgrounds, the report showed.

The report, released by the National Center for Health Statistics, provided new evidence that the United States has a serious literacy problem despite the more than \$40 billion spent yearly on public school operations.

The report's findings were based on brief literacy tests administered to a selected sample of 6,768 youths from 1966 through 1970.

The tests were part of the national center's health examination survey, a major quest for data on Americans' physical and mental health. Later reports will explore links between illiteracy and health problems.

The sampled pupils were asked to read seven short paragraphs of 40 to 50 words and answer three multiple-choice questions on each. They were considered literate if they could give correct answers for four of the paragraphs.

One paragraph read: "It was spring. The young boy breathed the warm air, threw off his shoes, and began to run. His arms swung. His feet hit sharply and evenly against the ground. At last he felt free." The questions concerned the season of the year, what the boy was doing, and how he felt.

The 12-to-17-year-olds whose scores fell below what could be expected from the average child beginning fourth grade were considered illiterate. Fourth-graders are normally 9 years old.

After analyzing the test results, survey officials estimated that 4.8 per cent of the nation's nearly 23 million youths in the 12-17 age bracket, extending all the way through high school grade levels, can be termed illiterate. That would amount to about 1 million young Americans.

More specifically, the report showed:

Among black youths as a whole, the illiteracy rate is 15 per cent. For white youths, it is 3.2 per cent.

For males of both races, the rate is 6.7 per cent, while for females it is 2.8 per cent.

For black males alone, the rate is a dramatic 20.5 per cent, or one in five. On the other hand for white females alone, it is 1.7 per cent, or less than one in 50.

The report also showed, as might be expected, that illiteracy rates are highest among youths whose families rank at the poverty level, and decline as income levels rise; still, at least some youths from families with \$15,000-plus income flunk the literacy test.

Similarly, young people are most often illiterate when their parents have had little education, according to the report's findings. Among black youths from families headed by someone who had no formal education at all, for example, more than 50 per cent are illiterate.

On the other hand, some illiteracy is also found among the offspring of white college-educated parents.

"Alarming and discouraging" was how Ruth Love Holloway, director of the U.S. Office of Education's "right to read" program, viewed the report.

OE's "Right to read" program, first announced in 1969 by the late James E. Allen, Jr. who was then U.S. education commissioner, has been sponsoring a number of innovative reading programs and disseminates information about those that prove successful.

MORE ON SOUTH AFRICAN COAL

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, I have vigorously protested to the House the senseless importation of coal from South Africa. Those companies engaged in importing coal mined by the slave labor practices of South Africa keep trying to change the subject, and advance the hollow contention that it is all the fault of the Congress for passing these crazy clean air laws.

The following exchange of correspondence illustrates the moral bankruptcy of those American concerns who attempt to

justify their backward policy. The first letter was written to a West Virginian who protested the importation of South African coal, and the response by the West Virginian is a devastating document which demolishes the arguments advanced in defense of this nefarious practice:

THE SOUTHERN CO.,
Atlanta, Ga., June 14, 1974.

MS. ELLEN SHAPIRO,
Charleston, W. Va.

DEAR MS. SHAPIRO: In reply to your postcard about the purchase of South African coal, I assure you that Gulf Power Company would prefer to burn coal from the United States. However, Florida's stringent environmental regulations require compliance by mid-1975. By that time, we cannot obtain domestic supplies of low-sulfur coal, nor could scrubbers be installed. As a result, Gulf Power Company must pay almost twice as much to buy and transport the imported coal as it would have cost to use domestic coal.

The Southern Company system is working hard to solve environmental problems. We are spending huge sums on a pilot plant to produce solvent-refined, pollutant-free coal and on various prototype systems for removal of sulfur oxides from stack gases. It will be several years, however, before these efforts could possibly result in commercial application. In the meantime, we must continue to provide reliable electric service and, at the same time, comply with environmental regulations.

With respect to allegations of social and economic injustices in South African mines, we, of course, have no control over the practices of any of our suppliers. Even if we did in this case, our relatively small purchase of coal would surely have no effect on policies in South Africa, nor would the withholding of such a purchase.

Groups protesting the importation of South African coal could better accomplish their stated objectives by supporting enactment of the Neilsen bill, HR 13464, which would enable electric utilities to make greater use of the sources of domestic coal presently available. This bill would amend the Clean Air Act and allow electric utilities greater flexibility in the methods of achieving air quality standards.

I appreciate your concern for achieving worthwhile social goals, including environmental protection, for these are our concerns, too. We have the additional concern of supplying customers with dependable electric power, so that they may maintain their homes, operate their industries, and generally live in as comfortable and productive an environment as possible.

Sincerely,

ALVIN W. VOGLE, JR.

CHARLESTON, W. VA.,

June 28, 1974.

MR. ALVIN W. VOGLE, JR.,
President, The Southern Company,
Perimeter Center East,
Atlanta, Ga.

DEAR MR. VOGLE: I appreciate your responding to my postcard concerning the importation of coal from South Africa. However, you raise some points in your letter which I feel should be discussed further.

Contrary to what many people believe, there is a lot of low-sulfur coal in the Eastern states, including Alabama, West Virginia, Virginia, and Eastern Kentucky. This coal would be available to anyone offering the right contract terms. I wonder if you offered any long-term contracts to coal producers in these states before deciding to buy South African coal?

The West Virginia legislature has passed a resolution (which I have enclosed for your information) expressing concern over the

importation of foreign coal into this country when an abundant supply is available locally. I'm sure that you can get low-sulfur coal from this state if you will contact our Department of Commerce with an offer of a contract for ten or more years. Since you say you must pay twice as much for foreign coal, you should be willing to go one step further and procure the long-term contracts that will make Eastern low-sulfur coal available to you. This would not only mean clean air, but also provides jobs for Americans, support "Project Independence", and reduce the economic support that South Africa uses to oppress her native people. And I daresay it would ultimately be to your economic benefit since it would help our economy regain some of its former strength.

The people in this state think it is ludicrous to "bring coals to Newcastle" when the supply of coal in the United States is the second largest in the world. We think there are other reasons for your decision to import coal which you have not yet stated, and we would be grateful if you would share your thinking with us. If no other reason exists, then it might be well to re-examine your position in light of the reasoning presented in this letter.

I commend your support of research and development on the environmental problems of coal. I am aware of the many difficulties involved. However, I don't understand how you can work, at the same time, both to meet the clean air standards and defeat them. I certainly don't believe the clean air act should be repealed or the standards weakened, since the health of us all (including you) is at stake. I don't believe that tall stacks or intermittent controls to be viable long-range solutions. If the standards cannot be met next year, then let's work to meet them the year after, but we dare not change our ultimate goals. I am curious to know what kind of fuel you would use and from where it would come, if the Clean Air Act is weakened. And I hope you're not wasting money by supporting the recent television ads by the "nation's investor-owned-utilities". That money would be much better spent elsewhere, don't you agree?

I will say one more thing on South Africa. I am very disappointed in your weak rationalization of your involvement with apartheid. It is the same attitude of apathy and impotence taken by the Germans during World War II, Americans during the war in Vietnam, and countless others who refuse to take a stand on moral issues. If individuals (and corporations are "persons") do not take a stand on such moral issues as the terrible conditions and racism that affect South African coal miners, who will? Your relatively small purchase of coal from there is indeed significant; as an industry you are in a much better position than an individual to take an effective stand.

I fully recognize any business' need to make a profit. However, I do not expect that profit to be at the expense of any human life. Sooner or later you must internalize the social, health, and economic costs you impose on others. Why not sooner? I sincerely hope that industry and citizen can engage in meaningful and productive dialog in order to reach humane solutions to the problems that face us all.

Very truly yours,

ELLEN SHAPIRO.

Senate Resolution No. 8—"To express the concern of the Senate over one aspect of federal energy policy."

Whereas, Low sulphur coal from abroad is now being unloaded and burned by utilities in New England; and

Whereas, This coal is only the start of the movement of such foreign coal into the eastern United States, which movement is expected to reach 10 million tons per year in the near future; and

Whereas, The United States Bureau of Mines has documented that the United States has the world's largest supply of bituminous coal and that large reserves of low sulphur coal do exist in West Virginia, Virginia and eastern Kentucky; and

Whereas, Continued importation of low sulphur coal from abroad is in direct conflict with the aims and purposes of Project Independence; and

Whereas, Many American jobs will be gained if the projected foreign imports of 10 million tons of coal per year are mined in the United States; therefore, be it

Resolved by the Senate:

That the West Virginia Senate requests our federal government to take the necessary steps to prevent any increase in foreign coal imports into the United States, unless no suitable American coal can be obtained; and, be it

Resolved further, That the West Virginia Department of Commerce be instructed to make available to all utilities affected by such action a list of West Virginia coal producers and indications of the types of coal they produce and what prices and terms of contract will likely make their coal available; and, be it

Resolved further, That the Clerk of the Senate be directed to send copies of this resolution to the Federal Energy Advisor John Sawhill, President Richard M. Nixon, Senators Jennings Randolph and Robert Byrd, and Congressmen Harley Staggers, Ken Hechler, John Slack and Robert Mollohan.

Mr. Susman then requested and obtained unanimous consent to take the resolution up for immediate consideration, and thereafter spoke to his resolution, urging the adoption thereof.

The question now being on the adoption of Senate Resolution No. 8, the same was put and prevailed.

The Senate then proceeded to the sixth order of business.

Senate Concurrent Resolution No. 3—"Directing the Joint Committee on Government and Finance to conduct a comprehensive study of the impact, regulation and control of legal interest rates permitted under the laws of this State and the desirability, feasibility and necessity of amending such laws."

On unfinished business, coming up in regular order, was reported by the Clerk.

Under the rules, the resolution was referred to the Committee on Rules.

Senate Concurrent Resolution No. 4—"Directing the West Virginia Board of Regents to construct a maintenance and parking facility at the West Virginia Institute of Technology at Montgomery on state-owned property or on any other property that would not deprive people of their homes."

On unfinished business, coming up in regular order, was reported by the Clerk.

Under the rules, the resolution was referred to the Committee on the Judiciary.

Senate Concurrent Resolution No. 5—"Directing the Joint Committee on Government and Finance to make a comprehensive study of the administration and personnel policies of the Department of Public Safety, including legislation proposed during the 1974 regular session related thereto, and develop recommendations and legislation to improve such administration and policies."

On unfinished business, coming up in regular order, was reported by the Clerk.

Under the rules, the resolution was referred to the Committee on Rules.

Senate Resolution No. 7—"Amending Senate Rule No. 32 relating to open committee meetings."

On unfinished business, coming up in regular order, was reported by the Clerk.

H.R. 7—"Expressing the concern of the House of Delegates over one aspect of federal energy policy."

Whereas, Low sulphur coal from abroad is now being unloaded and burned by utilities in New England; and

Whereas, This coal is only the start of the movement of such foreign coal into the eastern United States, which movement is expected to reach ten million tons per year in the near future; and

Whereas, The United States Bureau of Mines has documented that the United States has the world's largest supply of bituminous coal and that large reserves of low sulphur coal do exist in West Virginia, Virginia and eastern Kentucky; and

Whereas, Continued importation of low sulphur coal from abroad is in direct conflict with the aims and purposes of Project Independence; and

Whereas, Many American jobs will be gained if the projected foreign imports of ten million tons of coal per year are mined in the United States; therefore, be it.

Resolved by the House of Delegates:

That the House of Delegates requests our federal government to take the steps necessary to prevent any increase in foreign coal imports into the United States, unless no suitable American coal can be obtained; and, be it

Further Resolved, That the West Virginia Department of Commerce be instructed to make available to all utilities affected by such action a list of West Virginia coal producers and indications of the types of coal they produce and what prices and terms of contract will likely make their coal available; and, be it

Further Resolved, That the Clerk of the House be directed to send copies of this resolution to the Federal Energy Administrator, John C. Sawhill, President Richard Nixon, Senators Jennings Randolph and Robert C. Byrd, and Congressmen Harley Staggers, Ken Hechler, John M. Slack, Jr., and Robert Mollohan.

A LONG LOOK AT THE EXIMBANK

(Mr. RANDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RANDALL. Mr. Speaker, in the context of the debate yesterday on the extension of the Eximbank, reference was made in that debate to an editorial which appeared in the Wall Street Journal last Friday, June 28. The title of that editorial was "A Long Look at the Ex-Im Bank."

This clearly written and hard-hitting editorial should have been made a part of the RECORD during the debate on the Eximbank. Although it is now 1 day late, it is my belief that the facts contained in this editorial should be included in the pages of the CONGRESSIONAL RECORD as we in the days ahead consider the extension of the authority for the Export Bank. Accordingly, I have requested permission for the following editorial to be made a part of the RECORD as it appeared in the Wall Street Journal in the issue of June 28, 1974:

A LONG LOOK AT THE EXIMBANK

The authority of the Export-Import Bank expires today, which simply means that until Congress renews its authority the bank cannot make new loan commitments. How nice it would be if Congress took its time, say a year or two, before acting one way or another. It might even find that U.S. economic interests would be served by liquidation of the bank, which by our reckoning stays in business by sleight of hand and covert use of the taxpayers' money.

After all, the only thing the bank really does is subsidize exports. No matter how you slice it, it is a subsidy to provide 7 percent money to finance sale of a widget or an airplane to Ruritania or a computer to the Soviet Union, when an American businessman can't finance purchase of either for less than 11 1/4 percent. The bank gets privileged rates in the private capital market because the United States puts its full faith and credit behind the loans. Why the U.S. government should give the Ruritanian businessman a sweetheart deal that it won't give an American, save those at Lockheed, is beyond us.

The alleged economic justification for the bank's operation, which Ex-Im Bank Chairman William J. Casey pushes with great fervor, is that it improves the U.S. balance of trade. Granted, an export is an export. But Mr. Casey would have us look at only one side of the transaction. There's no way he could persuade us that wresting capital away from Americans, then forcing it abroad through the subsidy mechanism, does anything but distort relative prices, misallocate resources and diminish revenues, with zero effect, at best, on the trade balance.

Sen. Lloyd Bentsen of Texas sees part of the economics when both sides of the transaction are analyzed. He has an amendment that "would prevent Ex-Im financing of those exports involving the financing of foreign industrial capacity whenever the production resulting from that capacity would significantly displace like or directly competitive production by U.S. manufacturers." He has in mind Ex-Im's subsidizing of a foreign textile or steel plant that competes with its U.S. counterpart, to the detriment of our balance of trade.

Senator Bentsen thinks it's okay to subsidize finished products, like airplanes, which the Ex-Im Bank does plenty of. But Charles Tillinghast Jr., chairman of TWA, doesn't like the idea. He says TWA is losing piles of money flying the North Atlantic against foreign competitors who bought Boeing 747s and such with subsidized Ex-Im's loans. If TWA got the same deal, it would save \$11 million a year in finance charges. Mr. Tillinghast is currently pleading for a government subsidy so he can continue flying the North Atlantic and providing revenues in support of, ahem, our balance of trade.

Even if Ex-Im Bank subsidized only exports of goods and services which could not conceivably come back to haunt us directly, we see adverse economic effects. Subsidizing the export of yo-yos to the Ruritanians gives them a balance of trade problem that they correct by subsidizing the export of pogo sticks to us. Taxpayers both here and in Ruritania are thereby conned by this hocus pocus into supporting lower prices for yo-yos and pogo sticks than the market will support. In fact, all our trading partners have their own Ex-Im Bank to achieve exactly this end.

Two and three decades ago, when the Ex-Im Bank was a modest affair, its impact was relatively trivial. Now, it has \$20 billion of lending authority and is asking Congress to bump this to \$30 billion. By 1971, its impact on federal budget deficits had grown so large that Congress passed a special act taking the bank's net transactions out of the federal budget, so the deficit would look smaller. But the transactions have the same fiscal effect as a deficit, and the same drain on the private capital market. In the fiscal year just ending, the bank took \$1.1 billion out of the capital market. In the next fiscal year, it expects to take \$1,250,000,000 out of it.

There being no economic justification for the bank, Congress should feel no qualms about letting its authority lapse for a few years to watch what happens. The Russians, eager to continue getting something for nothing through the Ex-Im Bank, would be mildly unhappy. But they'd adjust by getting into the private capital markets with the underprivileged. We'd be surprised, too,

if our trading partners didn't follow suit by scrapping these nonsensical subsidies. And if they don't, why should we complain about their taxpayers sending us subsidized pogo sticks?

The editorial quite properly points out that principal effort of the bank is to subsidize exports. It provides 6 or 7 percent money to finance a sale to the Soviet Union when an American businessman cannot finance his business for less than 11 1/4 percent.

Eximbank Chairman William J. Casey pushes with great fervor his justification for the Bank when he says it improves the U.S. balance of trade. But while trying to generate greater exports how can he deny he is wresting capital away from our Americans, forcing it abroad. The subsidy mechanism then proceeds to distort relative prices with the zero effect on the trade balance.

Mr. Speaker, it is my privilege to represent an area in west central Missouri, which is the bedroom for thousands of Trans World Airline Workers. TWA is losing a lot of money flying the North Atlantic because of the support by the Eximbank of its foreign competitors. Mr. Tillinghast, chairman of TWA has said that his foreign competitors enjoyed 11 million a year advantages because they could purchase Boeing 747s at low Eximbank rates of interest. With this kind of advantage given to our competitors how long can we expect to see our flag flying on the side of our TWA or Pan Am planes as they wing across the Atlantic? I have supported the Export-Import Bank in the past but what they are doing to our thinking. The thousands of TWA employees who live in my district, will remind me—they may lose their jobs.

The editorial points out the bank will ask to increase its lending authority from 20 billion to 30 billion.

The impact on the Federal deficit has become so great that there was a special act taking the bank's transactions out of the Federal budget so the deficit would be smaller.

The bank must pay from 10 to 11 percent for its money and in turn lends it to the Russians for 6 percent. I certainly do not approve of such a procedure. There must be an adjustment of interest rates so that our American airlines can compete with other airlines and our American industry, compete with foreign industry.

It is one thing for Chairman Casey to promise he will make no more loans to Russia. It is quite another and a better thing to turn down this extension and force the Banking and Currency Committee to write into law restrictions against favored status to the Russians. In the words of the Governor of Alabama we should send the bank a message that the House expects some changes to be made. Put differently, if we refuse this extension maybe someone down at the bank would pay attention to the House. That is the reason, Mr. Speaker, that I was against the 30-day extension.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SISK (at the request of Mr. O'NEILL), for today and Wednesday, July 3, on account of death in the family.

To Mr. CORMAN, for today, on account of official business.

To Mr. MCKAY, for Tuesday, July 9, on account of official military commitment.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HECHLER of West Virginia, for 30 minutes, today, and to include extraneous material.

(The following Members (at the request of Mr. AREND) to revise and extend their remarks and include extraneous matter:)

Mr. MILLER for 10 minutes, on July 2.
Mr. DON H. CLAUSEN, for 15 minutes, on July 2.

Mr. RUPPE, for 5 minutes, on July 2.
Mr. GILMAN, for 5 minutes, today.

Mr. HOSMER, for 10 minutes, today.
Mr. KEMP, for 10 minutes, today.

(The following Members (at the request of Mr. ROSE), to revise and extend their remarks, and to include extraneous matter:)

Mr. MATSUNAGA, for 15 minutes, today.
Mr. OWENS, for 5 minutes, today.

Mr. MORGAN, for 10 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.

Mr. ROSENTHAL, for 5 minutes, today.
Mr. FRASER, for 5 minutes, today.

Mr. RODINO, for 5 minutes, today.
Mr. FLOOD, for 5 minutes, today.

Mr. BINGHAM, for 5 minutes, today.
Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. LEGGETT, for 10 minutes, today.
Mr. BARRETT, for 10 minutes, today.

Mr. RANGEL, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BRADEMAS, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$731.50.

Mr. HAWKINS, and to include extraneous matters notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$783.75.

Mr. MILLER, his remarks prior to the vote on H.R. 15465 today.

(The following Members (at the request of Mr. AREND) and to include extraneous material:)

Mr. YOUNG of Alaska.

Mr. RONCALLO of New York.

Mr. ROBISON of New York.

Mr. ROBERT V. DANIEL, JR.

Mr. CARTER in two instances.

Mr. ARCHER.

Mr. GOLDWATER in two instances.

Mr. ANDERSON of Illinois in two instances.

Mr. STEIGER of Wisconsin.

Mr. BOB WILSON.

Mr. DERWINSKI in three instances.

Mr. KEMP in four instances.
 Mr. HOSMER in three instances.
 Mr. HUBER.
 Mr. TOWELL of Nevada in two instances.
 Mr. SARASIN in two instances.
 Mr. FREY.
 Mr. RHODES.
 Mr. GILMAN in four instances.
 Mr. FORSYTHE.
 Mr. WYDLER.
 Mr. MCKINNEY.
 (The following Members (at the request of Mr. ROSE), and to include extraneous matter:)
 Mr. RODINO.
 Mr. BADILLO in three instances.
 Mr. CONYERS in 10 instances.
 Mr. GAYDOS in 10 instances.
 Mr. VANDER VEEN in two instances.
 Mr. MINISH.
 Mr. OWENS in two instances.
 Mr. SEIBERLING in 10 instances.
 Mr. GONZALEZ in three instances.
 Mr. RARICK in three instances.
 Mr. ANDERSON of California in two instances.
 Mr. MATSUNAGA in two instances.
 Mr. FLOOD.
 Mr. NIX.
 Mr. ROUSH in two instances.
 Mr. GETTYS.
 Mr. SYMINGTON in two instances.
 Mr. PATMAN.
 Mr. ROY.
 Mr. MOAKLEY in 10 instances.
 Mr. CHARLES H. WILSON of California.
 Mr. ROE in three instances.
 Mr. REES.
 Mr. DE LA GARZA in 10 instances.
 Mr. BURTON.
 Mr. KLUCZYNSKI.
 Mr. LEGGETT in two instances.
 Mr. LITTON.
 Mr. ROSE.
 Mr. WHITE.
 Mr. JONES of Oklahoma.
 Mr. DENT.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 2137. An act to amend the Act of October 15, 1966 (80 Stat. 953, 20 U.S.C. 65a), relating to the National Museum of the Smithsonian Institution, so as to authorize additional appropriations to the Smithsonian Institution for carrying out the purposes of said act; and

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

ADJOURNMENT

Mr. ROSE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 57 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 3, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2513. A letter from the Secretary of the Army, transmitting a report on the transfer of funds between subdivisions of the appropriation for fiscal year 1974 for "Operation and maintenance, Army," pursuant to title III of Public Law 93-238; to the Committee on Appropriations.

2514. A letter from the Secretary of the Army, transmitting a report on the first year's experience of the Volunteer Army; to the Committee on Armed Services.

2515. A letter from the Chairman and members, Equal Employment Opportunity Coordinating Council, transmitting the third annual report on the operations of the Council, covering fiscal year 1973, pursuant to section 715 of Public Law 92-261; to the Committee on Education and Labor.

2516. A letter from the Chairman, National Labor Relations Board, transmitting the 38th annual report of the Board, pursuant to section 3(c) of the Labor Management Relations Act of 1947; to the Committee on Education and Labor.

2517. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended (8 U.S.C. 1154(d)); to the Committee on the Judiciary.

2518. A letter from the Secretary of the Treasury, transmitting a report of a study of tax and loan accounts; to the Committee on Ways and Means.

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. STAGGERS: Committee of Conference. Conference report to accompany H.R. 11385 (Rept. No. 93-1170). Ordered to be printed.

Mr. POAGE: Committee on Agriculture. H.R. 15560. A bill to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock producers; with amendment (Rept. No. 93-1171). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. S. 3703. An act to authorize in the District of Columbia a plan providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the courts of the District of Columbia, and for other purposes; with amendment (Rept. No. 93-1172). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 13608. A bill to amend the act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia; with amendment (Rept. No. 93-1173). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 5686. A bill to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia and the District of Columbia Traffic Act, of 1925, to authorize the issuance of special identification cards, and for other purposes; with amendment (Rept. No. 93-1174). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS of North Carolina (for himself, Mr. ADAMS, Mr. ASHLEY, Mr. BEARD, Mr. BLATNIK, Mr. BOLAND, Mr. BRADEMAS, Mr. BROYHILL of Virginia, Mr. CARTER, Mrs. CHISHOLM, Mr. CONTE, Mr. DELLUMS, Mr. DIGGS, Mr. EDWARDS of California, Mr. FRASER, Mr. FRENZEL, Mr. FULTON, Mr. GUDGE, Mr. GUNTER, Mr. HELSTOSKI, Mr. HENDERSON, Mr. HICKS, Ms. HOLTZMAN, Mr. LENT, and Mr. LITTON):

H.R. 15747. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. ANDREWS of North Carolina (for himself, Mr. MCKINNEY, Mr. MACDONALD, Mr. MITCHELL of New York, Mr. MIZELL, Mr. MONTGOMERY, Mr. MOSHER, Mr. MOSS, Mr. NEDZI, Mr. NICHOLS, Mr. NIX, Mr. OBEY, Mr. OWENS, Mr. PEPPER, Mr. PRICE of Texas, Mr. PRITCHARD, Mr. RODINO, Mr. ROE, Mr. RONCALLO of New York, Mr. ROSE, Mr. ROUSH, Mr. STARK, Mr. STEED, Mr. STEPHENS, and Mr. STUDDS):

H.R. 15748. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. ANDREWS of North Carolina (for himself, Mr. SYMMS, Mr. THONE, Mr. TIERNAN, Mr. VANDER VEEN, Mr. WALDIE, Mr. BOB WILSON, Mr. WOLFF, and Mr. YOUNG of Georgia):

H.R. 15749. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. ARCHER:

H.R. 15750. A bill to amend the Internal Revenue Code of 1954 to increase the corporate surtax exemption; to the Committee on Ways and Means.

By Mr. BINGHAM:

H.R. 15751. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. BROYHILL of North Carolina (for himself and Mr. McCOLLISTER):

H.R. 15752. A bill to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mrs. GRASSO (for herself and Mr. MCKINNEY):

H.R. 15753. A bill; Shepaug River Act; to the Committee on Interior and Insular Affairs.

By Mr. HANSEN of Idaho:

H.R. 15754. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. JONES of North Carolina (for himself, Mr. BAKER, Mr. DICKINSON, Mr. MATHIS of Georgia, Mr. ROSE, Mr. WAMPLER, and Mr. CHARLES WILSON of Texas):

H.R. 15755. A bill to amend sections 358, 358a, 359, and 373 of the Agricultural Act of 1938, as amended, and Title I of the Agricultural Act of 1949, as amended; to the Committee on Agriculture.

By Mr. McDADE:

H.R. 15756. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. MATHIS of Georgia:

H.R. 15757. A bill to establish an improved program for the benefit of producers and consumers of peanuts; to the Committee on Agriculture.

By Mr. NIX:

H.R. 15758. A bill to amend title 44, United States Code, to provide for the publication of a weekly digest of congressional proceedings; to the Committee on House Administration.

H.R. 15759. A bill to amend title 39, United States Code, to provide for the mailing of correspondence to Members of the Congress free of postage, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATMAN (for himself, Mr. ADDABBO, Mr. BIAGGI, Mr. BYRON, Mr. CLAY, Mr. DAVIS of South Carolina, Mr. FLOWERS, Mr. FRASER, Mr. HICKS, Mr. HINSHAW, Mr. HORTON, Mr. JOHNSON of Pennsylvania, Mr. KEMP, Mr. KING, Mr. LONG of Maryland, Mr. LOTT, Mr. McCLOSKEY, Mr. MATHIS of Georgia, Mr. REGULA, Mr. RONCALLO of New York, Mr. SLACK, Mr. STEED, Mr. STURBLEFIELD, Mr. TAYLOR of Missouri, and Mr. TIERNAN):

H.R. 15760. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mr. PERKINS:

H.R. 15761. A bill to amend section 37 of the Internal Revenue Code of 1954 to make the tax treatment of retirement income comparable to that of social security income; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 15762. A bill making a supplemental appropriation for fiscal year 1974 for the expenses of the National Institute of Neurological Diseases and Stroke in connection with dystonia; to the Committee on Appropriations.

H.R. 15763. A bill 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.

By Mr. ROONEY of Pennsylvania (for himself, Mr. KYROS, and Mr. METCALFE):

H.R. 15764. A bill to amend the Federal Trade Commission Act to provide that under certain circumstances exclusive territorial arrangements shall be deemed lawful; to the Committee on Interstate and Foreign Commerce.

By Mr. ST GERMAIN:

H.R. 15765. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLFF (for himself, Ms. ABZUG, Mr. ADDABBO, Mr. BADILLO, Mr. CONYERS, Mr. FORD, Mr. FROELICH, Mrs. GEASSO, Mr. GROVER, Mr. GUDÉ, Mr. HECHLER of West Virginia, Mrs. HECKLER of Massachusetts, Ms. HOLTZMAN, Mr. LEHMAN, Mr. METCALFE, Mr. MOAKLEY, Mr. NEDZI, Mr. RINALDO, Mr. ROSE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SEIBERLING, Mr. WALDIE, and Mr. YATRON):

H.R. 15766. A bill to amend the Atomic Energy Act of 1954 to require that all proposed agreements between the United States and any foreign power for cooperation on atomic energy development be subject to a congressional power to disapprove; to the Joint Committee on Atomic Energy.

By Mr. YATRON:

H.R. 15767. 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 Ms. ABZUG (for herself, Mr. ADDABBO, Mr. BADILLO, Mr. DELLUMS, Mr. EDWARDS of California, Mr. EILBERG, Mr. LONG of Maryland, Mr. MOAKLEY, Mr. PODELL, Mr. ROSENTHAL, Ms. SCHROEDER, Mr. CHARLES H. WILSON of California, and Mr. YOUNG of Georgia):

H.R. 15768. A bill to amend the Export Administration Act of 1969 to require that all proposed agreements between the United States and any foreign nations providing for the transfer or distribution of nuclear materials or technology be subject to congressional approval; to the Committee on Banking and Currency.

By Mr. BINGHAM:

H.R. 15769. A bill to amend the Immigration and Nationality Act with respect to the waiver of certain grounds for exclusion and deportation; to the Committee on the Judiciary.

By Mr. FINDLEY:

H.R. 15770. A bill to provide that the majority of the membership (including the chairman) of the Committee on Government Operations of the Senate and House of Representatives, respectively, shall be composed of members of a major political party other than the political party of which the President of the United States is a member; to the Committee on Rules.

By Mr. GILMAN:

H.R. 15771. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LUKEN:

H.R. 15772. A bill to amend titles XVIII and XIX of the Social Security Act to provide an optional, simplified method of reimbursement for physicians' services under the medicare and medicaid programs for each State on the basis of a fee schedule, uniform throughout such State, and to authorize reimbursement to participating physicians in the full fee schedule amounts (with collection of the applicable deductibles and coinsurance from patients becoming the responsibility of the Federal program; to the Committee on Ways and Means.

By Mr. LUKEN (for himself, Mr. MOSS, and Mr. GUNTER):

H.R. 15773. A bill to provide for public ownership of all documents prepared for or by any elected Federal official in connection with the performance of the duties of such official; to the Committee on House Administration.

By Mr. MARAZITI:

H.R. 15774. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. MELCHER:

H.R. 15775. A bill to amend title 38, United States Code, to provide the conditions under which disinterment of decedents in national cemeteries may be authorized; to the Committee on Veterans' Affairs.

By Mr. MINISH:

H.R. 15776. A bill to amend the Urban Mass Transportation Act of 1964 to provide increased assistance for mass transportation systems; to the Committee on Banking and Currency.

By Mr. REES:

H.R. 15777. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries, and for other purposes; to the Committee on the District of Columbia.

By Mr. RUPPE:

H.R. 15778. A bill to amend the Internal Revenue Code of 1954 to increase the stand-

ard deduction from 15 percent to 20 percent, and to increase the maximum allowable amount of such deduction from \$2,000 to \$2,500; to the Committee on Ways and Means.

By Mr. STARK (for himself, Mr. STUCKEY, and Mr. FRASER):

H.R. 15779. A bill to establish an agency for the prevention of child abuse in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. STEELMAN (for himself, Mrs. BURKE of California, Mr. MCKAY, Mr. DINGELL, and Mr. O'BRIEN):

H.R. 15780. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish a Save Outdoor America program, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE (for himself, Mr. MOSHER, Mr. SYMINGTON, and Mr. ESCH):

H.R. 15781. A bill to amend the National Aeronautics and Space Act of 1958 to provide for the coordinated application of technology to civilian needs in the area of earth resources survey systems, to establish within the National Aeronautics and Space Administration an Office of Earth Resources Survey Systems, and for other purposes; to the Committee on Science and Astronautics.

By Mr. YOUNG of Illinois:

H.R. 15782. A bill to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. ROE:

H.J. Res. 1085. Joint resolution to designate April 24 of each year as National Day of Remembrance of Man's Inhumanity to Man; to the Committee on the Judiciary.

By Mr. RODINO (for himself and Mr. RANGEL):

H. Con. Res. 556. Concurrent resolution expressing the sense of Congress with respect to the action of the Government of Turkey in rescinding its ban on the growing of opium poppy; to the Committee on Foreign Affairs.

By Mr. RONCALLO of New York (for himself, Mrs. CHISHOLM, Mr. ERENBORN, Mr. ESHLEMAN, Mr. FORSYTHE, Mr. GILMAN, Mrs. HOLT, Mr. MARTIN of North Carolina, Mr. MOAKLEY, Mr. PICKLE, and Mr. WON PAT):

H. Con. Res. 557. Concurrent resolution requesting the President to declare July 2 through 5, 1976, to be a legal public holiday, and for other purposes; to the Committee on the Judiciary.

By Ms. ABZUG (for herself, Mr. ADDABBO, Mr. BROWN of California, Mr. BADILLO, Mr. DELLUMS, Mr. ECKERHARDT, Mr. EDWARDS of California, Mr. EILBERG, Mr. GUDÉ, Mr. LONG of Maryland, Mr. MOAKLEY, Mr. PODELL, Mr. ROSENTHAL, Ms. SCHROEDER, Mr. CHARLES H. WILSON of California, Mr. YATES, and Mr. YOUNG of Georgia):

H. Res. 1219. Resolution to the Committee on Foreign Affairs.

By Mr. SYMINGTON (for himself, Mr. BROWN of California, Mr. COCHRAN, Mr. HANSEN of Idaho, Mr. HICKS, Mr. OWENS, Mr. PREYER, Mr. SEIBERLING, Mr. UDALL, Mr. WAMPLER, and Mr. WON PAT):

H. Res. 1220. Resolution requesting that each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, American Samoa, and the Trust Territory of the Pacific Islands conduct a survey or study to determine the views of their citizens with respect to abortion laws; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL of Virginia:

H.R. 15783. A bill for the relief of Harry Stanley Spaulding, Jr.; to the Committee on the Judiciary.

By Mr. CAMP:

H.R. 15784. A bill for the relief of J. F.

EXTENSIONS OF REMARKS

Nighswander; to the Committee on the Judiciary.

By Mr. GIBBONS:

H.R. 15785. A bill to transfer the right of the United States to phosphates in certain real property owned by Charles N. Bardin, Jr., James H. Hickman, Leroy Miller, and Oscar T. Hubert of Tampa, Fla.; to the Committee on Interior and Insular Affairs.

By Mr. HECHLER of West Virginia:

H.R. 15786. A bill to authorize the Presi-

dent of the United States to present in the name of Congress a Medal of Honor to Brig. Gen. Charles E. Yeager; to the Committee on Armed Services.

By Mr. HUDNUT:

H.R. 15787. A bill for the relief of Valerie Ann Chambers; to the Committee on the Judiciary.

By Mr. SLACK:

H.R. 15788. A bill for the relief of Mitsue Karimata Stone; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

DICTATING PRODUCT SAFETY

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 1, 1974

Mr. LANDGREBE. Mr. Speaker, recently an article on the Consumer Product Safety Commission appeared in the May 18 issue of *Business Week* magazine. The article was entitled "Dictating Product Safety," and I present the article in a condensed form for the information of my colleagues:

DICTATING PRODUCT SAFETY

Richard O. Simpson, 44-year-old chairman of the Consumer Product Safety Commission, likes to compare his job to hunting tigers. "You go in with drums and bugles," he says, "and you beat the drums and blow the bugles to let the tigers know you're coming. Then if you catch any, all you've got are the dumb tigers who didn't believe you, the deaf tigers who didn't hear you, or the fighting tigers who didn't care and will fight anybody. The other tigers are smart and take warning which is why we are beating the drums to begin with."

This week—on the first anniversary of his swearing-in—Simpson took his tiger hunt to the Holiday Inn in Bethesda, Md., where he chaired the first National Conference on Product Safety. For three days, delegates appointed by the governors of all 50 states discussed ways to minimize conflicts between state and federal product safety laws and how to coordinate enforcement of the Consumer Product Safety Act, which created Simpson's commission. Also at the conference—strictly as spectators—were scores of businessmen, consumerists, lobbyists, lawyers, journalists, and plain, interested citizens.

The conference capped a busy first year for what is rapidly becoming one of the government's most powerful and pervasive regulatory agencies. With a life-and-death say over more than 11,000 consumer products, the five-member commission and its staff of 750 technicians, lawyers, and administrative help have poked into everything from aerosol spray cans to television sets, bicycles, lamps, ranges and ovens, mowers and garden tractors, carbonated beverage bottles, and aluminum home wiring.

This has thrown the little known, but already controversial, agency up against some of the largest companies in American industry: General Electric, Sears, Montgomery Ward, RCA, Philco-Ford, Zenith, Admiral, Borden, 3M—to name only a few. Many of these companies had intensive safety programs long before Congress created the CPSC. But now as a marketing executive at Westinghouse Electric Corp. puts it: "We have certainly increased our awareness of product safety and formalized our procedures." Adds John A. Marchese, vice-president for merchandise procurement at Mont-

gomery Ward & Co.: "I'm not sure we move more quickly now [on defective products]. But we are more deliberate because of the consequences. Now we have to notify the government and put out press releases. Before, bang—we moved like that."

TARGET FOR ATTACK

The result can be a hefty boost in administrative and technical expenses, which carries major implications at a time when other costs are also soaring. Last August, for instance, Sears, Roebuck & Co. ran into trouble with one of its electric power mowers. On some machines, a slight electrical impulse from the motor neutralized a safety device that was supposed to keep the motor from starting while the machine was in gear. Of 33,000 mowers, only 10,000 were affected. Yet to determine which mowers were faulty, Sears personnel had to go out with dental mirrors and read the names on each safety device of each mower.

The concern at Certain-Teed Products Corp. is even more basic: There are already far too many regulatory agencies, the company feels, so why another? As a Certain-Teed executive notes, the CPSC can influence or overrule other agencies. "This means that if you're in compliance according to one agency, you may not be in compliance with the CPSC," he says. "It's our view that the creation of a superagency or any agency to oversee other agencies will be difficult to deal with."

Along the way, Simpson has trampled some political toes, as well. Senator Sam J. Ervin, Jr. (D-N.C.) is trying to restrict the commission's mandate. Senator John G. Tower (R-Tex.) has called for a probe of the commission's performance. Representative Earl F. Landgrebe (R-Ind.) has introduced a bill to abolish the commission. Even the White House, which originally nominated Simpson and his four fellow commissioners, admits to a later attempt to dump the energetic, outspoken chairman.

Depending upon the critic and his particular gripe, Simpson has been attacked as brash, arbitrary, radical, stubborn, and "deliberately provocative." In some ways, he may be all of these. With what he calls a "goldfish bowl" strategy of "doing the public's business in public," Simpson plays to the press and has shown a flamboyant knack for grabbing headlines—sometimes with a zeal that has injured innocent companies. . . .

NONCOMPLIANCE WITH A COMMISSION RULING
CAN BRING FINES OF UP TO \$500,000

Simpson notes that most other government regulators have the same authority to impose criminal penalties. "But they are reluctant to use them," he claims. "In my view, that is amending the law." Then with a sharp edge in his voice, he adds: "Look, nobody asked me if I thought the Product Safety Act should have criminal penalty provisions in it. But as administrator, I have the obligation to enforce the law, even if that means asking for criminal penalties. Not to use the power we have, where appropriate, would be amending the law, and only Congress has the right to do that."

Michael A. Brown, commission general counsel, cites recent run-ins with National Presto Industries, Inc., (electric frypans) and McCulloch Corp. (chain saws). The CPSC came down on products made by both companies, but neither manufacturer responded. "We just got tired of waiting around for them to move," he says, "so we told them to tell it to the judge." Before administrative proceedings could begin, however, both companies offered to settle. At least one major retail chain is even preparing for the ultimate contingency. It recently designated a key senior vice-president as "the one who goes to jail" if the company runs afoul of the CPSC. The executive immediately called his staff into the office and announced flatly: "There shall be no screwups."

ONE OF OUR BIGGEST PROBLEMS IS INDUSTRY UNWILLINGNESS TO CHALLENGE US'

After its first full year of operation, the commission has run into only a few companies that dig in their heels at an agency ruling. One is Wel-Dex Mfg. Co., a small Houston subsidiary of Relco, Inc., which does a \$6-million-a-year business in electrical equipment. On Feb. 22 the commission put out a press release on Wel-Dex home arc welders, warning that "terminals on the welders are exposed, posing a potential fatal shock hazard, and poor connections on the cords could render the entire frame electrically alive."

Thomas H. Doss, founder and president of Wel-Dex, disputes the commission findings and claims that he was "coerced into signing a statement to halt production of the welder." The commission attorneys, he adds "threatened to make me recall every single welder that had been sold. They threatened civil action of \$500,000 in fines, and they also threatened criminal action. I was scared to death. I'm just a small businessman. I can't refund \$5-million." Last month Doss filed suit against the commission, charging that its original press release was "in violation of due process." He also contends that an effort by commission agents to inspect his plant constituted "duress, coercion, harassment, and intimidation."

Such cases, however, are rare. Far more often, companies simply comply. A few weeks ago, for instance, the commission ordered a San Francisco-based chain of import shops to remove \$200 to \$300 worth of paperweights from its shelves; the paperweights were designed to look like light-bulbs, and the commission worried about consumers trying to screw them into a socket. "We didn't question the commission order," says Marvin Fisher, a vice-president of Cost Plus, Inc. If the product had been worth more money, adds a Cost Plus attorney, "we would have asked the commission to come forth with more evidence and give us a hearing. Because of the nature of the product and the small amount of money involved, it wasn't worth the trouble to argue the point."

Surprisingly, Simpson prefers the more combative reaction over the quick compliance of Cost Plus. "One of our biggest problems is industry unwillingness to challenge