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# Congressional Record

PROCEEDINGS AND DEBATES OF THE 93<sup>d</sup> CONGRESS, SECOND SESSION

## HOUSE OF REPRESENTATIVES—Tuesday, July 16, 1974

The House met at 12 o'clock noon.  
The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*If we walk in the light, as He is in the light, we have fellowship one with another.—I John 1: 7.*

Almighty and eternal God, with receptive minds and responsive hearts we lift our spirits unto Thee. Remove from within us all that is false, mean, and ugly and let Thy spirit so grow in our hearts that love, joy, and peace may come to new life in us and, we pray, in our world.

Keep before us the vision of a better nation and a better world where people may learn to live together with respect for each other and with good will in every heart.

"God send us men of steadfast will,  
Patient, courageous, strong, and true;  
With vision clear and mind equipped,  
Thy will to learn, Thy work to do.

"God send us men with hearts ablaze,  
All truth to love, all wrong to hate;  
These are the patriots our Nation needs,  
These are the bulwarks of the state."

Amen.

### THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

### MESSAGE FROM THE SENATE

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

H. Con. Res. 445. Concurrent resolution authorizing additional copies of oversight hearings entitled "State Postsecondary Education Commissions"; and

H. Con. Res. 474. Concurrent resolution authorizing the printing of additional copies of a report issued by the Committee on Foreign Affairs.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11295) entitled "An act to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11873) entitled "An act to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research."

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

H.R. 9440. An act to provide for access to all duly licensed psychologists and optometrists without prior referral in the Federal employee health benefits program; and

H.R. 11537. An act to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2296) entitled "An act to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the environment of certain of the Nation's lands and resources, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. EASTLAND, Mr. ALLEN, Mr. HUMPHREY, Mr. AIKEN, Mr. BELLMON, and Mr. HELMS to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3703) entitled "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," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. EAGLETON, Mr. INOUE, and Mr. MATHIAS to be the conferees on the part of the Senate.

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

S. 2579. An act for the relief of David Alexander Choquette;

S. 2749. An act for the relief of Miss Carmen Diaz;

S.J. Res. 220. Joint resolution to provide

for the reappointment of Dr. William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 221. Joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 222. Joint resolution to provide for the appointment of Dr. Murray Gell-Mann as citizen regent of the Board of Regents of the Smithsonian Institution; and  
S. Con. Res. 98. Concurrent resolution authorizing the printing of additional copies of the Senate committee print entitled "The Recreation Imperative."

### DECISION ON REPORT OF THE HANSEN COMMITTEE

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

Mr. STEIGER of Wisconsin. Mr. Speaker, tomorrow is the day of decision for the Democratic caucus on the report of the so-called Hansen committee. It ought to be clear to all Members of the House that reform by any other name is not necessarily reform.

There is contained within the recommendations of the Bolling-Martin committee a number of substantive issues on which I hope the House will have an opportunity to vote favorably. However, I want to make it clear that those beguiling, deceptively simple ideas contained in what is reported in the Washington Post are not acceptable and are not reform.

The House needs to take action; the House needs to have a chance to work its will on House Resolution 988, and I hope the Democratic caucus will face up to its responsibility and give the House that opportunity.

### REDUCING FEDERAL SPENDING

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

Mr. WYLIE. Mr. Speaker, last Thursday I sent a letter to the Honorable WILBUR MILLS asking for hearings on H.R. 15375, a bill modeled after H.R. 144 sponsored by my good friend, the gentleman from Iowa, Mr. H. R. Gross, which would reduce Federal spending below income and reduce the Federal debt.

This morning Alan Greenspan, the reported replacement for Herbert Stein, said on the "CBS Morning News," that excessive Federal spending was the root cause of inflation. The cure is decreasing Federal spending in order to create a budget surplus. When asked about the

resulting unemployment, Greenspan said he had never seen proof that reducing Federal spending increased unemployment.

He said it was a "popular cliché" but impossible to prove. Greenspan added that unemployment caused by excessive spending could be proved. He pointed to a major retrenchment underway in the consumer market and housing industry caused by inflation. A retrenchment, Greenspan said, is causing and will cause substantial unemployment.

Mr. Speaker, may I respectfully suggest that all Members express themselves as being in favor of holding hearings on H.R. 144, H.R. 15375, or some similar bill.

#### A TRIBUTE TO THE LATE MICHAEL J. BUNKE

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

Mr. ARENDS. Mr. Speaker, I rise to note the passing of Michael J. Bunke, who for some 42 years prior to his retirement in 1955, served the Members of this House faithfully and well.

Mike, who commenced his work for the House on the staff of the old Naval Affairs Committee, spent the last 23 years of his service as manager of the Republican Cloakroom.

A friend to all, Mike was especially close to the late Representative Chancey W. Reed who was the Congressman from his home district in Illinois during much of his service.

A devoted family man, Mike Bunke is survived by his beloved wife, Irene, their son, Frederick, and their daughters, Dorothea M. Nordenholz, and Jeanne E. Saur. He is also survived by 11 grandchildren and one great grandchild. To each and all of them, I wish to convey my sincere sympathies, and the sympathies of Mike's many friends here on Capitol Hill.

#### PROPOSED CONGRESSIONAL REFORM

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

Mr. HAYS. Mr. Speaker, I was very interested in the remarks of the gentleman from Wisconsin (Mr. STEIGER) who presumed to take it upon himself to advise the Democratic caucus what to do about the Bolling report and the Hansen report. The gentleman from Wisconsin said that reform is not reform just because it is labeled that.

I would say to the gentleman from Wisconsin that it is even more emphatic than that because reform is not reform just because he says it is reform.

The House will have a chance to make a collective decision upon that matter.

#### APPOINTMENT OF CONFEREES ON H.R. 14012, LEGISLATIVE BRANCH APPROPRIATIONS, 1975

Mr. CASEY of Texas. Mr. Speaker, I ask unanimous consent to take from the

Speaker's table the bill (H.R. 14012) making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. CASEY of Texas, EVANS of Colorado, GIAIMO, Mrs. GREEN of Oregon, Messrs. FLYNT, ROYBAL, STOKES, MAHON, WYMAN, CEDERBERG, RUTH, and COUGHLIN.

#### U.S. SPACE WEEK

Mr. CASEY of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the concurrent resolution (H. Con. Res. 223) designating the week of July 15 through July 21, 1974, as U.S. Space Week, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendments, as follows:

Page 1, lines 3 and 4, strike out "July 16 through 22, 1973" and insert "July 15 through 21, 1974."

Amend the title so as to read: "Concurrent resolution requesting the President to proclaim the seven-day period of July 15 through 21, 1974, as 'United States Space Week'."

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### PRIVATE CALENDAR

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

#### MRS. ROSE THOMAS

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

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

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

There was no objection.

#### COL. JOHN H. SHERMAN

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

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

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

There was no objection.

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

The Clerk called the bill (H.R. 3533) for the relief of the estate of the late

Richard Burton, SFC, U.S. Army (retired).

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

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

There was no objection.

#### MR. AND MRS. JOHN F. FUENTES

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

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

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

There was no objection.

#### MURRAY SWARTZ

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

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

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

There was no objection.

#### 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 this resolution be passed over without prejudice.

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

There was no objection.

#### RITA SWANN

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

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

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

There was no objection.

#### LEONARD ALFRED BROWNRIGG

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

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

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

There was no objection.

#### FAUSTINO MURGIA-MELENDEZ

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



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

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

There was no objection.

#### ROMEO LANCIN

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

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

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

There was no objection.

#### 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 this 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 Senate bill (S. 280) for the relief of Leonor Lopez.

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

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

There was no objection.

#### ESTATE OF PETER BOSCAS, DECEASED

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

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

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

There was no objection.

#### CONVEYING CERTAIN PUBLIC LAND 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.

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

H.R. 3903

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subject to the provisions of subsection (c), the Secretary of the Interior (hereafter referred to in this Act as the "Secretary") is authorized and directed to convey to the Wisconsin Michigan Power Company of Milwaukee, Wisconsin, all right, title, and interest of the United States in and to the real property described in subsection (b).*

(b) The property referred to in subsection (a) consists of 3.11 acres, more or less, and is described as follows: Lot 6, section 17, township 41 north, range 31 west, Michigan Meridian, Iron County, Michigan.

(c) The Secretary shall convey such property to the said Wisconsin Michigan Power Company upon the payment of administrative costs in the amount of \$200, plus the fair market value of the property. The fair market value shall be determined by the Secretary on the basis of the value of such lands at the date of appraisal, exclusive of any increased value resulting from the development or improvement of the lands by Wisconsin Michigan Power Company.

With the following committee amendment:

Page 2, line 5, strike out "in the amount of \$200," and insert in lieu thereof "as determined by the Secretary."

The committee amendment was agreed to.

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

The SPEAKER. This ends the call of the Private Calendar.

#### CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 381]

Andrews, N.C.	Dorn	O'Hara
Aspin	Fraser	Powell, Ohio
Baker	Gettys	Reid
Blatnik	Gray	Robison, N.Y.
Brasco	Griffiths	Rooney, N.Y.
Carey, N.Y.	Gunter	Schroeder
Chisholm	Hanna	Shibley
Clark	Hansen, Wash.	Sisk
Clausen,	Harsha	Spence
Don H.	Hébert	Stanton,
Clay	Hollifield	James V.
Conte	Kemp	Stephens
Conyers	Madigan	Teague
Davis, Ga.	Martin, N.C.	Thompson, N.J.
Dellums	Metcalfe	Udall
Dennis	Milford	Young, S.C.
Diggs	Myers	
Dingell	Nelsen	

The SPEAKER. On this rollcall 384 Members have recorded their presence by electronic device, a quorum.

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

#### PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

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

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

There was no objection.

#### DISCHARGE PETITION FOR WORLD WAR I VETERANS PENSION

(Mr. PATMAN asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. PATMAN. Mr. Speaker, today I filed a discharge petition for House Resolution 1217 to provide for early consideration of H.R. 14782, which would establish a long overdue general service pension for World War I veterans. To date, 114 of my colleagues have cosponsored this legislation. To avoid further delay and to secure action before the 93d Congress, second session adjourns, I respectfully ask my colleagues to join me in signing this petition. Our World War I veterans and their widows deserve treatment comparable to that accorded to Spanish-American War veterans and the veterans of later wars. The Spanish-American War veterans have long had a general service pension and the veterans of World War II, the Korean conflict, and the Vietnam war have the broad benefits of the GI bill of rights. There are over 1.1 million World War I veterans. The average age of this group is 79.5 years. Of this 1.1 million only 443,000 receive a pension. These veterans suffer from the severe inflation that is particularly devastating to individuals who are on fixed incomes and past the age when they can reasonably be expected to adjust their incomes to escalating economic conditions. This pension would enable them to live in dignity and it would demonstrate the tremendous gratitude of all Americans for the men and women who served their country during World War I.

#### PERMISSION FOR COMMITTEE ON THE DISTRICT OF COLUMBIA TO FILE SUNDRY REPORTS

Mr. DIGGS. 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 Michigan?

There was no objection.

#### EMERGENCY GUARANTEED LIVESTOCK LOANS

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1226 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1226

*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. 15560) to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock producers. 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 Agriculture, 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 Agriculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against section 5 of said substitute for failure to comply with the provisions of clause 4, rule XXI are*

hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 15560, the Committee on Agriculture shall be discharged from the further consideration of the bill S. 3679, 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. 15560 as passed by the House.

The SPEAKER. The gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 1 hour.

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

Mr. Speaker, House Resolution 1226 provides for consideration of H.R. 15560, which, as reported by our Committee on Agriculture, would help to relieve the present financial distress of livestock producers. The proposed legislation would establish a temporary Government-guaranteed loan program to aid livestock producers who would otherwise not have access to temporary emergency financing to see them through this hardship period.

The resolution provides an open rule with 1 hour of general debate, with the time being equally divided and controlled by the chairman and the ranking minority members of the committee.

After general debate, the bill would be read for amendment under the 5-minute rule, at which time it would be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture, now printed in H.R. 15560 as an original bill. In addition, the resolution waives all points of order against section 5 of the committee substitute for failure to comply with the provisions of clause 4 of rule XXI of the Rules of the House.

At the conclusion of such consideration, the committee will rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question will 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. After the passage of H.R. 15560, the Committee on Agriculture will be discharged from the further consideration of the bill S. 3679, and it will 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. 15560 as passed by the House.

Mr. Speaker, as late as June of this year, sellers of cattle reportedly were losing \$100 to \$150 or more per head. Turkey producers were losing \$2 per bird, and tens of thousands of chicks were destroyed by their owners who felt they could not suffer even greater losses by feeding them until they reached marketable size. The situation has become extremely serious in recent months as livestock and poultry prices fell to levels which resulted in severe financial distress to producers.

It is axiomatic that a business that continues to lose money cannot remain in business indefinitely.

Whatever the situation may be, the proposed legislation is not intended to "bail out" livestock and poultry producers who bought high and were forced to sell low. It is not a giveaway program. It does not provide Federal grants; it does not even provide Federal loans. H.R. 15560 would merely provide a Federal guarantee of up to 80 percent of private loans made to eligible persons to enable them to continue in the livestock industry.

In order to qualify for a Government-guaranteed loan under H.R. 15560, the borrower must have exhausted his financial credit and be unable to obtain financing in the absence of the guarantee. He must repay the Government-guaranteed loan within 3 years, unless the loan is extended for a period not to exceed 2 additional years. Moreover, the Secretary of Agriculture, who is responsible for the administration of the loan guarantee program, must find, with respect to each guaranteed loan, that there is a reasonable probability that the objectives of the legislation will be accomplished and the loan will be repaid.

Total loan guarantees outstanding under the proposed program will not exceed \$2 billion at any one time, and individual loan guarantees will be limited to \$350,000 for each borrower.

The authority of the Secretary of Agriculture to guarantee loans would expire 1 year from the date of enactment of H.R. 15560. This period which may be extended for an additional 6 months if the Secretary determines that continued guarantees were necessary.

Administrative costs during the first year following the enactment of H.R. 15560 are estimated at \$9.4 million. Losses from defaulted loans cannot be predicted with accuracy, but the Committee on Agriculture estimates that any losses incurred by the Government would be substantially less than the \$80 million estimated by the Department of Agriculture.

Mr. Speaker, I urge the adoption of House Resolution 1226 in order that H.R. 15560 may be considered.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Hawaii has explained, House Resolution 1226 provides for an open rule with 1 hour of debate on H.R. 15560, a bill to provide temporary emergency financing through the establishment of a guaran-

teed loan program for livestock producers.

As the gentleman has explained, this legislation would provide a maximum guaranteed loan of up to \$350,000, with 80 percent of that loan being guaranteed by the Federal Government.

We ordinarily conceive of livestock as cattle. The definition of livestock, however, in the bill, is somewhat different than we find in Webster's Dictionary. The bill on page 6 defines livestock as follows:

The term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

I believe this is expanding considerably the definition given by Mr. Webster of the term "livestock." I also have heard some rumors that perhaps an amendment might be offered on the floor under the 5-minute rule to include the shrimp industry in this legislation, and one was suggested to me yesterday afternoon that perhaps fishworms should also be included.

So, I do not know what amendments will be offered later on when we get into the 5-minute rule on the bill.

The total amount of loans that could be guaranteed would be \$2 billion.

I do not oppose the rule, Mr. Speaker, but I am in opposition to this legislation. Your present speaker represents 61 counties in the western two-thirds of Nebraska. Every one of those 61 counties feed or produce cattle. I had a telephone call last Friday from the president of the Nebraska Stock Growers Association. This is an association of cattlemen. It has a total membership in our State of almost 3,000. He said that they were in opposition to the legislation, and they hoped that I would vote against it.

I have also taken the time to contact a number of bankers in my area in the small communities of western Nebraska who have made loans to cattle feeders or ranchers, and who are doing so at the present time, and I could not find any support for the bill from the bankers with whom I have talked.

Minority views are written in this report charging that this is a bankers' bill. I dispute that conclusion, Mr. Speaker, because I have not found a single banker in the cattle part of Nebraska that supports this legislation.

The primary problem that faces the cattlemen today is the problem of supply and demand. I grant you that much of this was brought about by the 90-day freeze that was imposed on the cattle industry last year when price and wage controls were taken off on meat products; but a 90-day freeze was continued on beef after it had been removed from other products. This does magnify the problem that we have had in the last 6 months in the cattle industry.

I also would like to call your attention to the fact that we have had an increase from the low point in June, about 30 days ago, when cattle reached the low point of \$35 at our major exchanges in the country, to a point now where there has been an increase of about \$10, to



\$45. That is in fat cattle. So we have had some improvement in the situation.

Even though the price is at \$45, with the cost of corn where it is today, feeders are still suffering a loss in feeding cattle.

To emphasize the point that this is primarily a problem of supply and demand, let me give you some figures that come from the USDA.

Total beef production in the United States in 1972 amounted to 22,419,000,000 pounds. In 1973 we had a decrease to 21,277,000,000 pounds, or better than a 1.1-billion-pound decrease in beef production.

What does that mean in regard to consumption? In 1972 we had a per capita consumption of beef in this country of 116.1 pounds per person; that is, man, woman, and child. In 1973 that dropped to 109.6 pounds per capita or a decrease of 6.5 pounds per capita. If we multiply 6.5 pounds of beef times about 215 million people in this country, we can see that there is a great deal less beef being consumed than there was 2 years ago. This carryover of less consumption, less purchase of beef, has carried over into this current calendar year.

Last year it was due to several factors: less beef on hand, high prices, meat boycotts by various organizations throughout the country, and shortages where one could go to the supermarket and not find adequate supplies of beef on hand to take care of the customers' needs. There were various reasons for that, but the American housewife has gotten into the habit of not buying as much beef at the present time, and that is fundamentally the reason for this dilemma in which we are at the present time.

Mr. Speaker, would the men and women of this House advocate that we adopt an amendment to this bill or consider other legislation that would provide relief and guaranteed loans for retired people or other people in the United States—retired people particularly—who are living off of their savings and their investments in stocks and bonds in view of the fact that stocks have dropped precipitously in the last 6 months? Should we have a guaranteed loan program for those millions of people that suffer under this economic collapse of the stock market and the bond market?

The logic follows through that if we approve of this type of legislation and this type of program, guaranteed loan program, then, yes, we should have such a program.

We had a bill on the floor of the House here 2 or 3 years ago that guaranteed loans to Lockheed. I did not support that legislation. The same principle, Mr. Speaker, is involved in that Lockheed legislation as is involved in this legislation. Should the Federal Government and the taxpayers come to the relief of private industry?

I happen to be in the lumber business. If I am not able and capable enough to operate my business and keep it in the black, I do not want the Federal Government or any other government to come to

my relief and bail me out of my business if I am unable to operate efficiently. That is exactly what we did in the Lockheed situation. To me the principle, Mr. Speaker, is exactly the same in this legislation.

I do not oppose the rule. I support the rule. I feel that the House should have the opportunity to debate this measure, but I do intend to oppose the legislation itself.

Mr. Speaker, I reserve the remainder of my time.

Mr. MATSUNAGA. 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. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15560) to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock procedures.

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

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. 15560, with Mr. MEEDS in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. POAGE) will be recognized for 30 minutes, and the gentleman from Iowa (Mr. MAYNE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

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

Mr. Chairman, I think most of the Members of the House are thoroughly familiar with the purpose of this legislation. This legislation attempts to keep operable one of our most vital industries—one without which a great many people are going to go without the food they want and without the food they could pay for.

This is not a matter of bailing out anybody. This bill contains no gift. It contains no subsidy. It is not a matter of trying to save some particular livestock feeder or some particular bank or some particular cattle grower. It is an effort to try to see that this cattle industry remains profitable enough for a reasonable number of people to stay in it and to produce the meat that the American consumer needs and demands.

There has been a great deal of talk about how it could not be in the interest of the consumer to stabilize this market. Certainly, it will not do so by the 20th of this month if we pass this bill, but on the 20th day of July 1975 and on the 20th day of July 1976 we are going to be faced with something that many Members are

going to find very unpalatable if we do not pass something like this bill.

One cannot grow a calf into a marketable animal in a few days or a few weeks or a few months. It takes a few years. We are now producing in the United States animals that are normally slaughtered at about 1,100 or 1,150 pounds. We in the United States have become accustomed to using what we call feedlot animals. They have been fed and they have put on possibly 400 or 500 pounds of weight in the feedlot. That results in a different type of beef from the beef brought in from Australia or our own grass-fed beef. Grass-fed beef is good beef. But it is not the type of beef that many of our people want. That beef goes into hamburgers and into other manufactured products, but our feedlot beef is the beef that goes onto the modern American table today as steaks and chops and roasts and so on.

The feedlot beef has to be fed. The U.S. Department of Agriculture has just estimated that at \$3 a bushel for corn it will take about \$51 a hundred pounds to break even on feeding cattle. Corn is well above \$3 today. That means it will take more than 51 cents a pound for the live animal to break even. The price of live animals is better today than it was 2 weeks ago, as has been pointed out, but it lacks a great deal of coming up to the break even point.

I do not know how we can expect people to get into the livestock industry and feed these cattle when they will be faced with certain loss unless there is a change in this situation. We think there can be a change without any harm to anybody. We think a stabilized market that will pay enough to the feeder to make it profitable for him to feed animals is the most desirable market we can have because that will put the largest number of pounds of meat on the American dining table.

You say, but there are going to be the same number of cattle regardless of the weight of the cattle and the way we bring them to market. Certainly, that is true. There will be the same number of cattle; but if we take a calf that weighs 550 or 600 pounds and send that calf to market as a grass-fed animal, we are only getting about half as much meat on the table as if we feed that calf out to 1,100 or 1,150 pounds and send it to the table as a fed-out animal.

Consequently, if we do not maintain this livestock feeding industry, we are going to come up next year and the next with a vastly reduced number of pounds of meat that we can put on the table.

Now, we do not eat numbers of animals. What we eat and what our neighbors eat is pounds of meat. If those who are opposed to this bill because they feel that it will raise the cost of living somehow or another, if those people are willing to have half the pounds of meat on the market, they must realize that that 50 percent is going to sell for a good deal more per pound than the larger amount of meat that would come on the market if we keep this feeding industry intact.

So let us make this point clear. We are

not trying to give a solution for the price of beef next week or next month, but we are trying to give a formula under which we will have meat next year and the next year.

We are not trying to see to it that John Jones or Henry Smith is bailed out from losses that he sustained as a feeder; but we are trying to say that we will keep this feeding industry running regardless who does the feeding, but we will keep the industry running so as to supply America with the amount of meat that we need. That is what this bill attempts to do.

Now, I know there are those here today who honestly feel that anything which helps agricultural producers is bound to increase the cost of living. As I have pointed out, this bill might do that in the near future. But down the road unless we take a little longer look than the next 3 weeks, we ought not to be sitting here in Congress. If we cannot see further than that, if we cannot look into next year and the next, we have no business representing our constituents, but I believe most of the Members of this Congress are willing to take that longer look and that longer look must show us that we need something to stabilize this livestock market at a price that will keep meat coming onto the market. That is what we are trying to do. We have met with a good many situations in the last few months where we found shortages we did not anticipate. The majority of our Members did not anticipate when they turned the sugar bill down just 3 weeks ago that they were going to immediately increase the cost of living to every American housewife. No, they voted that sugar bill down, because they said it was going to raise the price of sugar, so we defeated it and the price of sugar has gone up 5 cents a pound since we defeated it.

Now, I suggest that it might be well to take into consideration some of the things that have happened and I suggest that maybe the same sort of things will happen here. All that happened was that when we took away the incentive to produce domestic sugar the price went up. That is, the price went up because those who had sugar felt we were not going to produce all the sugar we needed and they immediately raised their prices.

That is the same sort of thing that has happened in the past. It will happen again. If we want excessive prices of beef—and I do not think we do—if we want exorbitant prices of beef next year and the next, we should vote this bill down because this is something that is calculated to protect the American consumer for a long time to come by assuring an adequate supply of meat.

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

Mr. POAGE. I yield to the distinguished gentleman from Texas.

Mr. MAHON. Mr. Chairman, I want to commend the gentleman from Texas for laying it on the line in regard to this problem, and for pointing out that the legislation under consideration here is

in the best interest of the American public and the American consumer.

I want to join the gentleman in support of the legislation.

Mr. POAGE. Mr. Chairman, I thank the gentleman, the distinguished chairman of the Appropriations Committee, for his observation. He represents a great livestock area, and I know he knows something about the relationship between the cost of producing and the price the producer must get if he is going to produce the meat our people need.

Mr. Chairman, if the Members will look on page H6493 of yesterday's RECORD, they will find that we have presented those figures showing what has been the cost; what are the costs today and what these prices are in comparison with these costs. I think it would be interesting to those who feel that somehow or other livestock people have been taking advantage of them.

Mr. Chairman, I want to mention just one more thing. The committee sought to bring in a bill which would protect the industry. There is a great deal of misunderstanding abroad, and a great many of our Members have become concerned about their own producers, about their own consumers. We must, all of us, be concerned about those things. Some have felt that we might better jeopardize the industry and protect the larger number of individuals.

There will be two amendments offered by the gentleman from Iowa (Mr. MAYNE). One of which will be to reduce the amount of the loan. The limit on an individual loan in this bill is \$350,000.

The reason for settling at the \$350,000 level was because for a great many years we have made loans to small business up to \$350,000, or guaranteed them just as this bill does, except that we guarantee 90 percent of a loan to a hardware store or a lumber yard, and of course, we guarantee only 80 percent of the loan under this bill. However, we have made loans for \$350,000, and that is the reason we picked \$350,000.

The gentleman from Iowa feels that it is unwise to try to get \$350,000 and that we would probably do better to ask for \$250,000, and he will offer such an amendment. The committee will accept it.

Mr. Chairman, he will also offer an amendment which will change the definition of those who are eligible, and base it upon their immediate dependence upon agriculture at the present time. I think there is pretty general acceptance that this amendment would be desirable, and the committee will accept that.

So, the Members will understand that there will be offered, and I presume accepted by the committee, these two amendments which do go a long ways toward removing at least many of the announced reasons for opposing this bill.

I hope the Members will find it possible to support this bill.

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

Mr. POAGE. I yield to the gentleman from Ohio.

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

Mr. Chairman, I support this legislation as one of the coauthors.

As I mentioned to the chairman of the Committee on Agriculture who is now addressing the House when this matter was before the Committee on Rules, I would prefer the version that came out in the Senate which would give these farmers an opportunity to get disaster loan rates of interest, because this is a disaster situation, and I think they should be entitled to it.

Mr. Chairman, I would hope that when the proper times come, I can offer such an amendment and have it agreed to by the committee. I think we have a disastrous situation and that we should have that.

Mr. POAGE. Mr. Chairman, I greatly appreciate the comments of the gentleman from Ohio, and recognize the logic of what he says. I hope that he in turn will recognize that the committee is seeking to draft a bill which will get enough votes to pass, because a bill is not worth anything unless it becomes law; and that we are trying to make a bill which we can enact into law rather than one we can simply write about, which was defeated.

Mr. Chairman, I hope the Members will support this legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Chairman, I yield 6 minutes to the ranking minority member of the Committee on Agriculture, the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I rise in support of this bill which will help provide more meat, more milk, and more livestock products to consumers at fair prices.

I support H.R. 15560 because it is a good bill for the country; it is a good bill for the livestock producer; and it is a good bill for the American consumer.

The distinguished chairman of the committee (Mr. POAGE) has described quite amply the main provisions of the bill so I will not dwell on them other than to restate three main points:

First, there is a serious financial crunch facing our livestock producers today. It was deemed serious enough at least for both the Speaker of the House and the distinguished minority leader of the House to appear before our committee and urge positive action—and this bill represents a positive response to that call for action.

Second, the defeat of this bill will do nothing to help consumers. Its passage, on the other hand, will help keep thousands of small family-oriented livestock feeding operations going until market conditions improve; and

Third, this legislation is not unprecedented. In 1949, in 1953, and in 1955 legislation was enacted to extend emer-



agency livestock loan assistance to our farmers and ranchers.

In this regard I would like to ask the committee to indulge in a little reminiscing.

Almost 21 years ago to this week, on July 9, 1953, this House passed H.R. 6054, a livestock credit bill authored by the late Clifford Hope of Kansas.

It was my privilege to serve as a Member of the House in the 83d Congress when Mr. Hope was chairman of the Agriculture Committee. I believe the gentleman from Texas (Mr. POAGE) is the only other member of our committee to serve in that Congress.

H.R. 6054 was a livestock credit bill. It provided for livestock loans to help producers who were hit by economic disaster. It set interest rates at 5 percent and it permitted the Secretary of Agriculture to establish the amounts of the loans. During the debate on the bill, Mr. Hope pointed out that the legislation was similar to loan programs inaugurated in 1932.

The late Representative Bill Hill of Colorado who served as chairman of the Livestock Subcommittee said:

Here we attempt to set up this basic program. It happens that it applies primarily to cattle, but it is basic legislation for any type of agricultural disaster.

Former ranking member of the full committee, Representative Charlie Hoeven of Iowa, said:

This is an emergency measure, but it also has general application to meet other emergency needs.

Another former ranking minority member of the committee, Representative Page Belcher of Oklahoma, said:

The cattlemen said they did not need help in anything like normal conditions. They would not need help. There is not a group in America that has asked less of the government than has the cattle industry.

Yes, Mr. Chairman, like myself those four gentlemen, Mr. Hope, Mr. Hill, Mr. Hoeven, and Mr. Belcher, all served as the senior Republican members of the Committee on Agriculture. They also voted for H.R. 6054 in the 83d Congress like I did.

We also lived to see thousands of livestock producers pull through a very difficult situation.

We saw President Eisenhower sign H.R. 6054 into law as Public Law 83-115.

We saw Secretary of Agriculture Benson administer the program.

Yes, Mr. Chairman, when H.R. 6054 passed this House 21 years ago it was during the last Republican-controlled House in America's history. There was bipartisan support for that bill on that day as the House worked its will by a vote of 387 to 4.

Does history repeat itself?

Does the action of 21 years ago on a similar bill mean anything today?

Will the Democratic-controlled 93d Congress be as responsive to livestock producers as was the Republican-controlled 83d Congress?

I hope the answers to all those questions is a resounding "yes."

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The bill before us today, like its predecessor of a generation ago, would help our livestock producers stay in the business of producing livestock.

It has bipartisan support, being reported by a 28 to 2 vote of the committee.

It is a good bill that deserves to have an historical encore.

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

Mr. WAMPLER. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I wish to associate myself with the remarks which were made by the chairman of the committee and by the gentleman from Virginia who is in the well at the present time.

Unfortunately, this is a bill which the consumer does not understand. I realize it is going to be hard for some Members to vote for this bill. However, I believe if this bill fails, the consumer is going to pay for it in the years ahead.

Mr. Chairman, I wish to express myself as being in full support of this bill.

Mr. WAMPLER. Mr. Chairman, I thank the gentleman for his remarks and for his support.

I will also note that the distinguished gentleman from Pennsylvania has long been a friend of the consumer as well as a friend of the producer, and I particularly appreciate his remarks.

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

Mr. Chairman, as floor leader managing the bill for the minority, I wish to point out to the Members of the House that this is an emergency measure, and it is a temporary measure. The authority for guaranteeing loans can be used for only 1 year after it becomes law. The term of the loan authorized is only 3 years, with the possibility of renewing the loan for another 2 years if the Secretary finds the requisite conditions to exist.

This bill is made necessary by the fact that there was a very severe disruption in the free marketing of livestock last summer, when many Members of the Congress were insisting that price controls be kept on meat at the retail level. The administration very unwisely yielded to this pressure and kept controls on retail beef prices long after they had been taken off everything else. This disrupted the marketing of fat cattle, which were held back by feeders until mid-September. These cattle became grossly overweight, and severely depressed the market price. The market has never recovered and has been substantially below production cost levels ever since.

Ever since last fall I have been kept continually advised on the deepening crisis in the livestock industry by northwest Iowa livestock producers and feeders and businessmen. The sagging hog and cattle markets have been steadily eroding the financial position of not only our younger producers but a great many established operators. Many family size producers have seen hard-earned equity built up over a lifetime wiped out in a few months. It is now evident that local credit sources will no longer be able to

provide sufficient credit for many livestock feeders.

Losses amounting to \$100,000 to \$200,000 are not uncommon among family cattle feeders in my district. One very detailed financial statement I reviewed showed the loss for one family feeding operation at \$371,000 for the period September 1973 to May 1974. This figure represented an average loss of over \$110 per head on each animal fed and marketed during this 7-month period.

The improvement in live cattle and hog markets in the past few weeks has certainly been an encouraging sign. However, cattle are still being sold far below a breakeven point. Losses on fed cattle are still ranging from \$60 to \$75 as financial positions continue to deteriorate for cattlemen for the 10th straight month.

Our livestock producers are accustomed to ups and downs and have faced severe price dips in past years. But the severity and duration of the present crisis is almost without precedent short of the great depression.

Speaker CARL ALBERT and Minority Leader JOHN RHODES testified in June at House Agriculture Committee hearings held on the livestock crisis. This was the first time either Speaker ALBERT or Minority Leader RHODES had testified before a legislative committee. This bipartisan testimony by the House leadership demonstrates their keen awareness of the seriousness of the problem facing livestock feeders. Both leaders urged our committee to make a positive response to the needs of the stricken livestock industry.

This response has come from our committee in the form of H.R. 15560, the Emergency Livestock Credit Act of 1974. The full committee held 3 days of hearings on the entire scope of the crisis facing the livestock industry. The Subcommittee on Livestock and Grains on which I have the honor to be ranking minority member then followed with 2 days of hearings on the emergency loan legislation and after 5 hours of markup, sent H.R. 15560 to the full committee for overwhelming approval.

H.R. 15560 is temporary legislation authorizing the Secretary of Agriculture to administer a program of emergency loans for livestock feeders otherwise unable to obtain loans. It does not provide grants or subsidized interest rates. It will guarantee 80 percent of a loan negotiated between a borrower and his lending institution.

The Secretary is authorized to review loan applications to assure that there is reasonable chance for repayment. Only in those cases where default on a loan occurs will the Federal Government guarantee apply.

The bill is by no means perfect and should certainly be tightened up on the floor to make sure its benefits go primarily to small- and medium-sized family operators rather than huge commercial feedlots and outside investors and tax shelter operations. I intend to reoffer my amendments which were defeated in committee limiting guarantees to bona fide full-time farmers and disqualifying

corporations and partnerships who do not have at least 50 percent of their stock owned by stockholders and partners who are themselves engaged fully and primarily in agriculture. The individual loan guarantee limit should be reduced to not more than \$250,000.

I want to stress that this legislation is designed to be in the public interest—it is not a bill for hog producers or cattle feeders or packers or any one segment of the economy. It is a bill designed to keep in business a vital part of our livestock industry. The defeat of this bill will only accelerate the trend toward integrated large operations leaving the control of the industry in fewer hands. It is very much in the public interest to have individual family feeder units continue their production in competition with the huge commercial feedlots.

Mr. Chairman, my chief concern in originally introducing this legislation was for our family livestock producers, those family units which presently produce about 60 percent of the meat which is served on the tables of America. These people have, through long years of industry, honorable toil and frugality, been able to build up substantial equities. I am not talking about marginal operators, but good responsible livestock producers who have experienced good years as well as bad, but on the whole in normal times they have been able to make a decent living by feeding livestock.

However, for the last 10 months this has been utterly impossible for them, because the prices of cattle plunged from around \$58 in August down to \$34 in the week of June 10. These producers were then losing up to \$150 a head.

That means, Mr. Chairman, that if a producer sold a thousand cattle, he lost \$150,000. These small- and medium-sized family units simply cannot tolerate and withstand such losses, and some of them are now facing having to sell their third bunch of cattle at these depressed prices.

They have seen the equities accumulated in a lifetime wiped out. As a result they cannot get the necessary credit for continuing feed operations from their lending institutions. The bankers have called them in and said "we have to revise your financial statement to show those tremendous losses," and when they show that these cattle on hand are worth a much smaller amount than in the previous statement and they just cannot get the loans.

It is of a vital interest to the American consumers that we keep in production the family units who produce 60 percent of the meat in our country today. If they fail it will mean that there will be a monopolization and a cartelization of the production of meat. Huge commercial feeding lots and conglomerates will take over and manipulation of the price of meat against the consumers interest will be much more likely to occur.

All we are asking for is a guarantee, not for a grant, not for a subsidy, all we are asking for is authorization for the

Secretary to guarantee loans under strict rules—and the Secretary does have supervisory power here. He must be satisfied that the necessary conditions for the loans are present, such as that the borrower cannot get a loan elsewhere. All we are asking is to be able to keep these family farm units in operation until the market price of cattle recovers sufficiently so that they can break even and eventually make a reasonable profit.

They are still losing \$75 a head on cattle at today's prices, and have been losing from \$75 to \$150 a head for the last 10 months.

As has been said, we have broad bipartisan support for this bill. The distinguished Speaker and the distinguished minority leader, the gentleman from Arizona (Mr. RHODES), are both strong backers of the legislation. In the Committee on Agriculture we had only two dissenting votes.

I want to emphasize that this is not a bill just for hog producers or cattle feeders or any one segment of the economy. It is a bill designed to keep a very vital and competitive segment of our livestock industry in existence, to decelerate the trend toward integrated large operations which would leave the control of the industry in the hands of a few.

I shall offer some amendments, to which the chairman of the Committee on Agriculture has alluded, which will make sure that these loans go to bona fide and full-time producers of livestock, those who are directly or permanently engaged in livestock production, and which will eliminate corporations or partnerships unless at least 50 percent of the stock is owned by stockholders who are themselves directly and primarily engaged in livestock production.

This is to make sure that hobby farmers and tax shelter operations and huge conglomerates are not beneficiaries of this legislation.

Another Mayne amendment will reduce the individual loan guarantee limit from \$350,000 to \$250,000, which is certainly adequate to take care of the great majority of family producer operations.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Chairman, I rise in opposition to H.R. 15560, the Emergency Livestock Credit Act of 1974. This legislation, which is as ill-conceived as any I have seen in my 12 years in Congress, authorizes the Government to guarantee 80 percent of private loans made to feed lot operators and to producers of beef and dairy cattle, swine, sheep, goats, chickens and turkeys. According to the U.S. Department of Agriculture, which opposes the bill, it will cost the American taxpayer \$90 million in administrative and anticipated default costs.

Mr. Chairman, no fair-minded person wants our animal farmers to suffer financial ruin. Small family farmers are among the most industrious of our citizens and they deserve, like the rest of us, to make decent profits. It is also ob-

viously in the interest of consumers for our Nation to have an economically viable agricultural community. But this legislation will in no way help to achieve the kind of stability of food production and price that an effective farm policy should strive for. The very best that can be said for enactment of the Livestock Credit Act is that it will encourage the continuation of inefficient farming and banking practices. At the worst, its approval will be exceedingly expensive to the public, as both consumers and taxpayers, and it will result in windfall profits to bankers who will make new loans and refinance old loans at some of the highest interest rates in our history.

There are so many defects in this bill that it is difficult to enumerate them all:

It is based on inadequate information and an almost nonexistent hearing record;

It singles out for assistance one segment in our agricultural community at a time when livestock prices are rapidly rising and when other producer and occupational groups in our society, such as the housing industry and municipal workers, are suffering at least as much hardship as animal farmers, from an ailing economy;

It diverts attention from the need to undertake major reforms in our entire food marketing system;

It authorizes a guarantee of loans without placing any limitation on the permissible interest to be charged by the lender;

It requires the certification by lenders and borrowers of highly subjective information, but provides no penalty for false or grossly negligent certification;

It is loosely enough drawn to cover the needs of huge feed lot and livestock operations and those who have invested in cattle for tax shelter purposes; and

It reinforces the notion in the public's mind that "corporate welfare" is not subject to the same safeguards as private welfare to truly poor people.

Mr. Chairman, I am opposing this legislation because I believe that it would set a dangerous precedent. It reverses the mood of the Congress and the country away from Government subsidies. Quite frankly, it is greatly disturbing to me and I am sure to millions of American consumers that this agribusiness and tax shelter legislation, which involves Federal guarantees of two billion dollars and taxpayer expenditures of \$90 million, will have taken less than 2 weeks to pass the Congress of the United States after a total of 2½ days House and Senate hearings. On the other hand, one of the most important consumer bills ever considered by Congress—the Consumer Protection Agency bill—again faces a Senate filibuster after 6 years of congressional effort and close to 100 days of hearings. I find it ironic that debate on the CPA bill begins today in the Senate, while we are here considering this very unwise and anticonsumer legislation. Mr. Chairman, I respectfully urge my colleagues to vote against H.R. 15560.



Mr. POAGE. Mr. Chairman, I believe that we will have only one additional speaker from this side, so I would ask the gentleman from Iowa (Mr. MAYNE) to yield time.

Mr. MAYNE. Mr. Chairman, I yield 4 minutes to the gentleman from Nebraska (Mr. THONE).

Mr. THONE. Mr. Chairman, I rise in strong support of H.R. 15560, and especially on the assumption that the amendments to be offered by the gentleman from Iowa (Mr. MAYNE) will be accepted by the House. It is my understanding that this will be the position of the committee. They will materially strengthen this bill. I fought to include them at the committee level, but we lost the vote there. In no way should we help the speculators or the tax shelter artists with this legislation. This bill, as has been said here by the other speakers, will provide immediate assistance to farmers, ranchers, and feeders engaged in producing meat for the American consumers.

In my congressional district I imagine we have as many cattle feeders as there are in any single congressional district in the country. These people, frankly, have their backs against the wall, and they need the assistance that this bill will provide. Many have lost their life savings. For 10 straight months now they have been experiencing record losses, losses which have destroyed several billion dollars worth of capital which they had invested in facilities to produce meat for the dinner tables of America. Many factors, unquestionably, are involved in creating these losses.

Most of the Members in this body are aware of these factors; the independent truckers strike which disrupted the orderly flow of animals to market, increased input costs, current market structures which diffuse cost reduction pass-throughs to consumers. Actions of foreign governments, and others. Most basic to this overall problem were the ill-conceived and administered Government-imposed price controls. And I might say several Members—and I see them sitting here in the Chamber today—the gentleman from Minnesota (Mr. ZWACH), the gentleman from Iowa (Mr. MAYNE), the gentleman from Texas (Mr. POAGE), and others, tried with me to convince Mr. Dunlop of the Cost of Living Council that the short-range solution that he was offering with his unusual price controls on livestock were doomed to failure. We had some violent arguments in the Committee on Agriculture with Dr. Dunlop, and the gentleman from Texas (Mr. POAGE) will remember them well.

Mr. Dunlop did not take our advice, and as a result we had the whole disrupting of the orderly marketing process of the livestock industry. As a result of that, we have this disaster which is on us now.

In the Lincoln Journal, my hometown newspaper, on Tuesday, July 9, the syndicated columnist, the Oracle from

Scrabble, Va., James J. Kilpatrick, pretty much set out the problem that beset the livestock industry. First he mentioned that—

The Senate performed an act of rough but regrettable justice on June 24, when it voted 82-9 to provide emergency loan guarantees for livestock producers. This was a bad bill—

He said—

It was also a necessary bill. Our governmental masters ought to learn something from this melancholy experience, but they probably won't.

He then went into a detailed explanation of why this was a necessary bill, and along the lines that I have just suggested here he emphasized the following:

In the case of the livestock producers, government made this mess. In simple justice, it is now up to government to clean up the mess if it can. By interfering with normal marketing operations—

And he emphasized "throughout the on-again, off-again price control aspects" that the Government was fooling around with here—

the government threw the market into turmoil.

The purpose was fine, but the results were disastrous. Disastrous indeed!

I will not in the short time I have allocated here attempt to persuade my distinguished colleagues with a lot of comparative cost and price data. The gentleman from Texas (Mr. POAGE), the distinguished chairman of the Committee on Agriculture, in his statement yesterday made some very appropriate price comparisons. One of these especially caught my eye. He stated that the average price of slaughtered steers has increased only 14 cents per pound in the last 24 years while the average wage of industrial workers has increased by \$2.84 per hour in the same 24 years.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAYNE. Mr. Chairman, I yield 1 additional minute the gentleman from Nebraska.

Mr. THONE. The provisions of H.R. 15560 have been outlined by my fellow committee members, and I will not repeat them. But I do want to emphasize the loan guarantee in this bill is neither a grant nor a direct subsidy; it is merely an action to return much-needed capital to American meat producers to replace the capital destroyed by their recent record losses.

In summation, I want again to state my wholehearted support for H.R. 15560. If we do not provide this limited assistance to our meat producers, the day will soon come when we will no longer be able, as consumers, to buy the quality and the variety of meat now available to us. If we do not help our meat producers through this bill, we are insuring future meat scarcity and resulting higher prices.

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

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

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Chairman, I should like to associate myself with the remarks of the gentleman in the well.

Mr. Chairman, I rise today in support of H.R. 15560. Enactment of this legislation is vital if we are to save thousands of cattlemen from bankruptcy and thus cause unheard of shortages of beef in the supermarkets.

I consider it only fitting that we in Government assume responsibility for rectifying the chaotic condition of the cattle industry, since we are largely responsible for bringing it about. The executive branch made the decision to sell large quantities of grain abroad, which in turn drove the price of feed to all-time highs. But the biggest culprit remains the disastrous price controls established by the unlamented Cost of Living Council. Arbitrary controls created vast shortages resulting in ridiculous prices for baling wire, fertilizer, feedcrops, and just about everything else that a cattleman needs for his business. Faced with spiraling costs, the cattleman then was forced to live with strict controls on the prices he could get for his beef. It is no wonder that the feedlots were down when controls were on, then up when controls were off, causing alternating shortages and surpluses of beef.

Instituting, then withdrawing, all of these freezes created great instability in the cattle business, resulting in the intolerable situation we have today. Since the Congress allowed these controls to continue, we bear responsibility for their result, and must act now to help correct an imbalance which would never have existed if the free market had been permitted to function unencumbered by controls.

This bill is not a give-away. It makes no subsidy payments. It is a limited measure, designed to meet a one-time emergency. The interest rates are not subsidized, but are at market rates.

If the Nation's cattlemen are allowed to go into bankruptcy, which may well be the case if this legislation is not passed, and if the feedlots are permitted to stand empty, then the resulting shortage of beef is going to make last summer's drop in supply look like a glut on the market. I need not mention what meat prices will look like then.

I urge my colleagues to vote in favor of this legislation.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. LONG).

Mr. LONG of Louisiana. Mr. Chairman, I rise in support of H.R. 15560, the Emergency Livestock Credit Act of 1974. I think we are all aware that the cattle industry is in a state of economic chaos. Cattle farmers, ranchers, and feedlot operators are sustaining the largest losses in their history due to international import policies and practices—and the administration's past beef price policies.

I am particularly concerned, however, with the rising costs of materials, feed, and fertilizer which have not been adequately reflected in the prices farmers get for their beef. This, I believe, is particularly unfair. Many industries have been able to pass on cost increases via the cost passthrough mechanism, but cattle producers sell their beef in a truly competitive bidding marketplace where prices are slow to respond to costs. And so, cattle farmers find themselves in the peculiar position of suffering large financial losses because they are one of the last industries in America to sell their product in a true free enterprise marketplace.

I received from a cattle farmer in my district, Mr. Wayne J. Lemoine of Mansura, La. Mr. Lemoine tells me that the price of beef now is about half of what it was last year, but he says further:

The price of feed is 50 percent higher than last year;

Baler twine is over 300 percent higher;  
Barb wire is up nearly 400 percent;  
Fertilizer is over 200 percent higher;  
Winter grass seed is 300 percent higher; and

In 1 year the price of a tractor has increased by \$2,600.

Unfortunately, there are no cost passthroughs for the American cattle producer.

The legislation we consider today is a must for America's cattle industry. Without it, farmers will be unable to pay their loans and bills. The banks will foreclose farmers' mortgages. Valuable breeder stock that took years to develop will be sold off, and it will take years to rebuild equivalent breeder herds.

Without this legislation, many beef producers may go out of business, and the American consumer will suffer twice over from short supplies of beef and from skyrocketing beef prices. Those who claim to be consumer advocates would have us believe that a vote against this bill is a vote for the American consumer. I urge my colleagues in the House of Representatives to reject that shortsighted claim. I urge you to see this legislation for what it really is: This bill is a consumer bill. It will increase supplies of beef and keep the price of beef down to a realistic level, a level that will not be achieved when hundreds of cattle farms go out of business for lack of the financial ability to hold on to their herds.

My record in this Congress will prove that I have always voted to support the small businessman—the little guy—and, of course, the small- and medium-sized family-owned farms of America. This bill would help precisely those people. The loan limitation of \$350,000 per farmer would make sure that it is the family farmer and not the corporate chains that would be saved by this legislation.

Without these loans, small- and medium-sized cattle producers would be forced to sell their assets, and I ask you: "Who would end up buying many of the bankrupt smaller farms and ranches?" In answering my own question, I would reply: "The only people who have that much financing available and who would

spend it on cattle farms are the large corporate farm chains." Accordingly, I would point out that while some Members of this House claim that this bill would prove a windfall to the corporate farms and hurt the small family ranchers, I believe just the opposite: To deny these loans to the ranchers who need them would be a windfall to the corporate farms—and it would simultaneously encourage the demise of the small cattle rancher in America.

My final point in support of this legislation is that the money we are talking about is loan money. It is not a subsidy of the principal. It is not a subsidy of interest rates. It is not a guaranteed market for a product. It is not a guaranteed price for a product. It is not a handout from the U.S. taxpayer. There is no forgiveness allowed. It is the guarantee of a loan that is expected to be repaid. And what is more, it is a guarantee of only 30 percent of the loan amount—that is not so much to ask when you consider that the Small Business Administration guarantees 90 percent of the loans it makes. Finally, I submit to you that this is a guaranteed loan to guarantee America a good supply of beef at reasonable prices.

In conclusion, Mr. Chairman, I urge support of this important legislation so that we may avoid not the slaughter of American cattle, but the needless slaughter of the American cattle industry.

Mr. POAGE, Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. MAHON).

Mr. MAHON, Mr. Chairman, I rise in support of this legislation. I think it is imperative that this bill pass. If it is defeated, the economic repercussions throughout the entire country would be tremendous.

#### URGENT NEED FOR THIS LEGISLATION

The case for this legislation has been well presented by the chairman of the Agriculture Committee and others.

It has been clearly pointed out that the situation is desperate for many producers of feed cattle and other livestock.

The need for action in behalf of the livestock industry seems to me to be apparent.

I realize, of course, that many of my colleagues do not represent producers of livestock, but they do represent people—consumers—and, in my opinion, this legislation is urgently needed in behalf of the consumers of this country.

Unless the present trend is halted, there will be a further decline in fed beef, and scarcities of acceptable beef will arise. The supply will be inadequate and prices will rise sharply. Everyone will tend to lose as a result of this situation.

This legislation is not the final solution for all our problems, but it can contribute greatly to stabilization of the livestock industry and contribute importantly toward continuing an adequate supply of beef for the American consumer.

I realize that this bill is not perfect, but I hope that crippling amendments will not be adopted and that the bill can

go to the Senate-House conference in its present form.

Hopefully, the conference will be able to work out the best possible approach to the problem that confronts us.

Mr. MAYNE, Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. PEYSER), a member of the committee.

Mr. PEYSER, Mr. Chairman, for the past month, ever since the question of a \$2 billion guaranteed loan program for the livestock producers has been discussed, I have been talking with cattle producers, feedlot operators, meatpackers and processors, banks, and chain store executives—and these are the supermarket executives. I am now fully convinced that this proposed legislation is absolutely the worst step that could be taken to help the cattle producer and the consuming public.

There are those who continually make reference to the fact that, being from New York City and Westchester County, I do not know one end of the steer from the other. I may not be an authority on the anatomy of a steer, but certainly I can understand some basic economics and I have been in Congress long enough to recognize when a bill becomes pure pork barrel.

Assuming this legislation was necessary for the cattle producers when beef was selling at \$33 a hundredweight, while now it is selling at \$44, what is the justification for bringing chickens, turkeys, hogs, sheep, and goats in, because I can tell the Members that if this bill passes the only goat is going to be the American public. What we do today is truly going to be reflective of what we think of the public.

Nearly 9 months ago the beef producer was receiving an alltime high for his product. At that time, incidentally, as many Members will remember, the cattle producers were saying to the Government, "Keep your hands off. We do not want any interference. Leave us alone." At that time the retail price of beef in the marketplace was at an alltime high. A month ago when beef was selling at \$33 a hundredweight, the price of beef in the supermarkets to the consumer around this country had dropped less than 10 percent and on some of the major beef items, such as chopped beef, the price had not dropped 1 penny. Something is wrong when this happens.

It is apparent that the price of beef to the producer does not have any major impact on what the consumer in the marketplace has to say. Until we resolve the problem of what happens between the price to the consumer and the time when the packer and producer and retail store get it, until we find out what is happening in that gap, any such bill as this legislation would be: First, bailing out the banks who went on the hook to make loans to people who went into this business when it was highly profitable; and second, would be giving the opportunity of not only having 80-percent guaranteed loans but also loans at higher interest rates than they previously had.

Yesterday, Secretary Butz issued a



statement and I will not read it in full but he says in substance, specifically that "this department does not recommend the enactment of H.R. 1556," and he goes on to outline why.

Mr. MAYNE. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. ZWACH), a member of the committee.

Mr. ZWACH. Mr. Chairman, I thank the gentleman for yielding the time.

It is my firm belief that, if this bill does not pass, the American consumer is going to be the goat. The American consumer is going to be the loser. This bill is not a grant. It is not a subsidy. It just gives to the most efficient producers of meat in the world, the knowledgeable American producer, who has lost all his credit, it gives him a guarantee to reestablish him in this business. It will be not a small loss but there will be great losses if these producers are driven out of business.

Two things need to be in this bill. I have talked with the Member, the gentleman from Iowa (Mr. MAYNE) on the matter. One is to limit it to bona fide producers of meat.

Now, about 20 percent of the meat in recent months has been produced by speculators who have been drawn into this area by advertisements of various groups. They are now out of the business. We do not want them to qualify for loans.

The other is that I think there should be a limit below \$350,000. For \$100,000 one can buy at least 400 or 500 feeder cattle. For \$250,000 he can buy 1,500 feeder cattle. That ought to be certainly adequate for the small producer, adequate for the medium-sized operator and it will be a great boost to the larger operator and should tide him over.

I have been in this business for over 40 years. I never saw the chaos in the cattle business that we have had in 1973 and in 1974, all of it caused by the Congress and the Government of the United States. Last year the Committee on Banking and Currency came in here with a bill to roll back prices. Narrowly did we defeat that on this floor, a strong rollback that would have been ruinous. Then came the freeze and then the very unwise, cattle freeze, when it was extended beyond other meats. It was just a chaotic condition in my business and it caught a lot of producers in this swing. This is legislation that is temporary. It will help tide them over. I hope we will pass this today.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa.

Mr. MAYNE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. PRICE), a member of the committee.

Mr. PRICE of Texas. Mr. Chairman, I will not try to rehash what has already been said here this afternoon. I will try to review what has gotten the livestock business in the condition it is in today. It started back with the Delaney amendment which did away with the chemical called DES, in which an animal is allowed to be fattened through this chemical means. They said it was a sure fact it could cause cancer. It never has to this day been proven and there is no

evidence ever provided that DES would cause cancer in humans. This was the start of the destruction of means by which we could put meat on the American table at the most reasonable rates.

Then along came a beef boycott last April or May a year ago. Then came the Government freeze on beef in this country. Beef was singled out among all other products to bear the brunt of the food and fiber industry in this country.

Then, of course, the President opened up with no limits on beef imports that came into this country. That has not been brought out and discussed here today.

Sure, the American cattle industry said, "We do not want Government interference in our business." The Government did interfere in the cattlemen's business by putting wage and price controls on and the freeze, and by doing so has caused the beef industry a \$15 billion loss in the industry.

Mind you, a \$15 billion loss in the industry. I say to the Members that there is not but a handful of Members present—and I want the record to show that. They will come rushing in here with the idea that this is a bailout bill for the bankers, a bailout bill for the producers, without knowing the circumstances, and then later on I hope the consumer will read the record and see just who is present and aware of the beef industry's problems that if it is not helped at the present time the cost of beef in another year or two is going to be astronomical. Yes, the Government did interfere.

Now, with regard to the \$250,000 limit which is going to be offered here today, I might say that this sounds like a lot of money. In my district alone, last year we produced over 4½ million head of fat cattle which contributed to the American consumer's beef supply on the market.

Mr. Chairman, the gentleman who spoke in the well previously talked about the fact that this is an emergency measure. If it is an emergency measure, why does it not have an interest rate in it which would provide some kind of relief for the producers we are attempting to help? They talk about the family unit which is going to produce 60 percent of the beef. Who is going to produce the other 40 percent of the beef for the American consumer?

Mr. Chairman, I want to say that in my area we have probably 150 feedlots feeding all the way from 5,000 to 120,000 head of cattle in one confinement area. Do the Members want to know who the people are who invest in these areas?

They are not some big conglomerate, as some would lead us to believe. They are individuals who have some money and want to take a risk; yes, the risk of the free enterprise system which made this country great. Who is to say who should speculate or buy stock in the American stock market? Who is to say any person should invest his money in anything legal in this country? Who is to say any person who wants to take part in feeding a few cattle is a speculator? I think that is erroneous to the 100th degree.

A commercial feedlot is made up of approximately from 150 people all the way to probably 1,000 separate individuals who buy 100, buy 200, buy 500 head of cattle. They are doing it in the most economical way they can by combining their efforts and buying the feed and financing.

Mr. Chairman, I would like to say to the Members of the Committee that we provided \$2 billion in this loan and \$350,000 per person. The interest is between the lender and the borrower. Frankly, I would rather see it at the going rate the Government pays and I might possibly introduce such an amendment.

The legislation is for 1 year, and it can be extended by the Secretary for 3 years, plus an additional 2 years. I would prefer it be for at least 5 years with a possible extension of 5 additional years. The small producers are the ones who are going to be helped by this bill and not those whom we say are the speculators and the big New York Wall Street bankers, because under this legislation that type of individual is not eligible and should not be construed as such.

Therefore, I hope the Members will give favorable consideration to this legislation.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. TRAXLER).

Mr. TRAXLER. Mr. Chairman, I wish to associate myself with the remarks of the previous speakers.

Mr. Chairman, I would like to call my colleagues' attention to one problem in Michigan which this bill would help to alleviate. Last year, due to a mixup in chemicals, a large quantity of livestock feed became contaminated with a deadly chemical, and was sold to farmers in mid-Michigan. As a result, entire herds of dairy cattle, poultry, and swine, have been quarantined. Neither the livestock, nor their products may be sold. In the meantime, the farmers have had to keep feeding and caring for the animals. Expenses continue, while income has stopped.

Although it is hoped that a settlement may eventually reimburse these farmers for their losses, that could take a long, long time. In the meantime, the lack of income has brought a number of these farmers to the brink of economic disaster, through absolutely no fault of their own.

Many of these farmers cannot get loans to cover their expenses until they receive settlements. This bill would allow such emergency loans to be obtained at lower interest rates. I support this bill and urge my colleagues to vote for it.

This bill would not "bail out" unsuccessful farmers. It would keep otherwise profitable farmers in business, on the tax rolls, and provide the consumer with a steady flow of products. This bill is not a dole, it is not an indemnity plan. It only provides guarantees of loans.

I urge my colleagues to support this legislation.

Mr. MAYNE. Mr. Chairman, I yield

the balance of my time to the distinguished minority leader on this side.

The CHAIRMAN. The chair recognizes the gentleman from Arizona (Mr. RHODES) for 2 minutes.

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

Mr. RHODES. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I rise in support of this bill.

Mr. Chairman, I appreciate this opportunity to discuss H.R. 15560, the Emergency Livestock Credit Act of 1974.

It goes without saying that livestock producers, especially beef and pork producers, are in very serious financial trouble. They have been literally under siege for almost 9 months with skyrocketing production costs and depressed live beef and pork prices. The producer has witnessed the loss of reserves built up over 2 or 3 years of reasonable profits. He is now losing his equity. The only real solution to this problem is price relief and the prospect of reasonable profits.

It is true that we are witnessing some recovery in the livestock market. This recovery has reduced losses. But, the important point to note is that prices are still short of profitable levels. The end result is that many legitimate cattlemen, especially young farmers, simply cannot hold out much longer. Their creditors are looking over their shoulders. Many face bankruptcy and the loss of their life's savings.

I would like to emphasize that this problem is not an isolated one in terms of effect. It is important for consumers, for their advocates in the Congress and within various consumer organizations, to realize depressed livestock prices could also destroy the feed grain market. Those who believe this is an effort so narrow in scope that it is intended to benefit only one industry should take notice that agriculture is our Nation's leading industry. An economic collapse in agriculture could affect the paycheck and livelihood of every American. Farm producers are consumers too and spend almost \$50 billion for goods and services just to produce their crops and livestock.

It should also be stressed that many within the livestock industry have serious reservations regarding this legislation. The thought of Government intervention in the livestock industry violates the cattleman's basic philosophy of independence. Personally, in terms of my philosophy, such intervention violates my basic belief that free enterprise is best enterprise.

However, I want to point out to the critics of this legislation and others who have been stating the cattleman's current problems stem from holding action within the livestock industry, that this crisis was, at least in part, the direct result of Government policy. As a matter of fact, this entire problem became serious when an attempt was made by the leadership of the House of Representatives to roll back farm prices a year ago in March. The facts of the matter also show this problem was made much

worse by the Cost of Living Council's discriminatory extension of the price ceilings on beef after lifting similar ceilings on pork and poultry. And I have yet to hear consumer advocates singling out any other industry to use as a whipping boy in order to make their point in regard to increased prices and inflation. What I am saying is this: The beef industry was literally handcuffed economically, boycotted, and singled out for blame, in part by Government.

Now there is enough blame to go around for everyone. We should concentrate, instead, on what kind of relief we can provide the legitimate stockman. It is almost ironic, after experiencing what Government has done to him, most cattlemen prefer to take their chances in the marketplace.

I think we have an obligation to see what we can do to provide relief to the young farmer just starting out in the cattle business and legitimate producer in the way of survival protection. I emphasize this relief would also be in the best interests of the consumer. The legislation we are considering today is an attempt to do just this.

This bill has been drafted to prevent abuse and unwanted Government interference in the livestock industry. It is temporary legislation. It limits credit eligibility to producers who need the credit for survival and to those who cannot obtain the credit from normal sources. There is no interest rate subsidy. Those of us on the Committee on Agriculture agree that the language of the bill needs to be amended by the Mayne amendment to limit guarantees to bona fide full-time farmers and disqualify those who do not derive a majority of their income from agriculture. I urge support of the Mayne amendment in this regard. Some special consideration should also be given to family farm corporations.

We need stability in the beef cattle industry. The consumer needs stability in grocery costs. I think these two goals are parallel. The only way we will achieve our goals in this regard is to restore farm prices to reasonable levels. All the livestock producer wants is equity at the marketplace. We must see that our food price problems do not become food shortage problems.

I am not an advocate of Government help in terms of special subsidies and loans to the livestock industry. The whole thrust and direction of our Nation's current farm policy is to allow the farmer-cattlemen to get a fair return at the marketplace. However, I feel this bill, with the proper safeguards regarding eligibility, is not at odds with this policy and will help us achieve these objectives.

Many legitimate and hard-working producers' very survival depends upon the approval of this legislation. I ask the support of my colleagues for the amendment that will be introduced by my distinguished colleague, WILEY MAYNE, and for final passage of H.R. 15560.

Mr. RHODES. Mr. Chairman, I am very much in favor of passage of this legislation.

The situation facing the livestock industry in this country today is chaotic, and it will get worse than it is now.

This piece of legislation is quite a modest attempt on the part of the Federal Government to help some of the people who have been injured, partly by action of the Government itself. These are people who have never asked for help. It is a segment of the agricultural industry which, quite apart from the usual type of agriculture, has not been subsidized during its history, and this, Mr. Chairman, is not an attempt to subsidize it even today. It is an attempt to provide credit for bona fide producers of livestock who have found themselves in a situation in which their credit has been exhausted.

It is to provide Federal guarantees only up to 80 percent of the amount of the loan. The amount of the loan is closely circumscribed, and I think the fact that the guarantee is only 80 percent provides a further guarantee of the fact that the loan will be a sound one because certainly no banker or no money lender who is risking 20 percent of his own funds is likely to feel very unsafe in making such loans. Certainly no one can stay in the lending business for very long and continue to lose 20 percent of every loan he makes, so I think we can be very sure that the bankers of the country, the people who will lend these funds, will be very careful about just exactly what they do.

I think this is a good piece of legislation. I congratulate the great Committee on Agriculture and its chairman and the ranking minority member for the expedition with which they have acted.

I hope, Mr. Chairman, that the bill will be adopted.

Mr. POAGE. Mr. Chairman, I yield to the gentleman from Iowa (Mr. CULVER).

Mr. CULVER. Mr. Chairman, I thank the chairman very much for yielding this time to me.

I rise in strong support of this legislation. I wish to commend the committee and its members on both sides of the aisle who worked so hard on this legislation. It is critically important to the survival and continued vitality of the livestock industry of this country.

Mr. Chairman, I wish to voice my continuing support for H.R. 15560, the Emergency Livestock Credit Act of 1974. I do not believe it is necessary to reiterate in depth the causes of the present situation, but I do feel it is appropriate to emphasize its genuine emergency character.

Cattle producers have suffered losses before, for one or two crop periods, 120 days, but the current trend is into its third crop period and little improvement is foreseen in the immediate future. Further, the loss per head of livestock has been at unprecedented levels. The result is that not only are hundreds of livestock producers facing bankruptcy, but the feedlot operators are reducing their operations. Some cattlemen are facing the prospect of a reduction in their breeder herds, or even total liquidation of their business and livelihoods.

The implications are serious both for the livestock producer who is facing an



upheaval in his way of life, and for the American consumer. With the prospect of reduced breeder herds and widespread business failures, the future portends a dramatic reversal of the current trend and a return to the short supplies and high beef prices of last fall and winter.

It takes 28 to 30 months to move beef from the breeding farm to the retailer. Actions taken by the beef industry today can determine supplies several years hence.

You cannot divorce the livestock producer from the rest of the economy—our economy is too interdependent. Bankruptcy of even a small segment of the cattle industry could have repercussions on other segments of the farm economy including the financial institutions that support them, and subsequently on the entire economy.

It cannot be forgotten that it will be the consumer who will ultimately suffer if the emergency livestock credit bill is not passed. If the present situation goes unchecked the ultimate result will be a scarcity of meat for the consumer. As production drops, and herds decrease in size, meat will become so scarce and expensive that meat substitutes will become the rule, rather than the exception.

This bill has unfortunately been characterized by some as a "bank bailout bill." In fact, it represents only a minimal response on the part of Congress to help stricken feeders and producers of livestock through the present crisis. Of course, loans are taken from banks, but it is the borrower we are seeking to strengthen and sustain.

This crisis, it must be remembered, was in large part created by the Government. By interfering with normal market relationships, through such fiascos as the Soviet wheat deal and the on-again, off-again price ceilings and controls, the Government has thrown the market into its present state of turmoil.

I do believe that it is altogether proper that this bill be clarified so that loan guarantees go only to bona fide small and medium sized producers, rather than large commercial and tax shelter operations.

Therefore, I am supporting floor amendments to disqualify corporations and partnerships who do not have at least 50 percent of their stock owned by stockholders and partners who are themselves engaged primarily and directly in livestock production; and to lower the individual loan guarantee limit from \$350,000 to \$250,000.

These amendments will target the loan guarantees at those whose economic distress has been created by mistaken Government action and who are not in a position to help themselves—our full-time family farmers.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota (Mr. DENHOLM).

Mr. DENHOLM. Mr. Chairman, I rise in support of this legislation.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. ROSE).

Mr. ROSE. Mr. Chairman, I rise to speak in support of H.R. 15560, the emergency guaranteed livestock loans. This act is needed if we are going to be given a breathing spell in order to get the cost of beef and pork to the consumer down to a more reasonable level. I defer to opponents of this bill in their zeal, but I cannot defer their reasoning.

According to them, it will be a bonanza bill to bail out banks and others who "made ill-advised investments in an inflated cattle and hog industry during a period of unprecedented high prices." I do not believe this to be true, and I would be remiss in my obligations to my constituents who are involved in hog and cattle production if I allowed this statement to go unchallenged.

What we here in Congress are, in effect, trying to do is to allow the meat producers to catch their breath during a time when the cattle and hog prices have dropped drastically, even as prices to the consumer have continued to run well ahead of the prices paid to farmers. Opponents of this bill contend that the solution lies in an increase of consumption of beef and hogs, if they admit that this cannot be done until middlemen pass on lower prices to the consumer. I have not seen any evidence of this on the retail level at this date.

The law of supply and demand is supposed to work to the betterment of all, meat producers and consumers. But there is a factor at work in this particular segment of our economy that has the effect of penalizing the farmer on the one hand and the consumer on the other. Farmers in my district report losses running into and over the \$100 mark on each hog or steer sold. Consumers in my district, and what I say here applies equally to other cattle and hog producers and consumers all across the Nation, complain that they are still paying inflated prices for beef and pork.

I contend that we are not giving the cattle and hog producers anything in this bill, not when they are being asked to refinance their notes at the present 11½ or 12 percent interest rate, nothing, that is, but an attempt to recoup their losses. Hopefully in the year involved in this bill the economy will again float free according to the time-honored law of supply and demand.

Evidently, in the meat industry that law has been suspended at the present and we are penalizing meat producers, penalizing them to the extent that many will be forced to the wall. My learned opponents say the solution is to produce more and more. I ask them how this is possible if present production is being virtually curtailed by an unfriendly market that asked the American farmer to again subsidize his customers even if it means bankruptcy for him.

We are not doing the consumer any favor under existing market conditions and we will not be doing him any favor if we cut back on the production of beef and hogs owing to the curtailing production at the first stage.

It would be fine if Canada would lift its ban on the importation of U.S. beef, it

would be even better if the American consumer could afford to eat more beef and pork. But the latter will not be the case until something is done about the alleged rationing of beef and pork by the middleman.

If this bill was defeated, we may be in the position of throwing the baby out with the dishwater and the American consumer may find the day of reasonably priced beef to be as obsolete as the nickel cigar and high buttoned shoes. Not to mention the fact I noted earlier that some cattle and hog producers may be out of business and ruined beyond redemption.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. Mr. Chairman, I rise in support of this legislation.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana, (Mr. RARICK).

Mr. RARICK. Mr. Chairman, I rise in strong support of this legislation.

Mr. Chairman, I support H.R. 15560, the legislation before us providing for emergency guaranteed livestock loans to some producers who face an economic depression caused by Federal meddling with the economy through imposition of price controls and through action taken by the administration in lifting import restrictions on foreign agricultural products coming into our country.

Our farmers have never asked for a Government handout. All they have ever asked is that the Government allow them to operate in a free market economy without manipulation; but the Government succumbed to political manipulation to appease social pressures and agricultural producers have suffered the consequences.

The bill before us would guarantee 80 percent of loans up to \$350,000, the maximum allowable on an eligible individual's loan. Not all livestock producers will be eligible for loan guarantees. The bill requires that the lender "shall certify" that he is "unwilling to provide credit to the loan applicant in the absence of the guarantee authorized by this act." Furthermore, the legislation provides that the "loan applicant shall certify that we will be unable to obtain financing in the absence of the guarantee authorized by this act."

Participation includes only those directly engaged in the production of cattle, hogs, sheep and goats, poultry, and dairying. It is essential that the Government act immediately to help out these producers so that these industries can continue to produce the food our people need.

Without the help provided by this legislation, many farmers and stockmen will be driven out of business and the American consumer will be the ultimate loser because of decreased production—which can only result in higher prices in the marketplace.

At stake in this legislation is the ability of livestock producers to produce an adequate quantity of food, at reasonable

prices. If a producer goes out of business, it will take quite a bit of money, know-how, and time to replace that flow of food to the consumers.

Some opponents of legislation designed to help our farmers—who overresponded to consumer complaints about high prices by increasing production—wrongly express concern over the legislation before us because they feel that it will be detrimental to the consumer.

The legislation before us is of vital importance to all Americans. The committee has indicated that this bill is being brought to the House not as a measure to help individual farmers and ranchers, but rather as an effort to prevent financial chaos in the livestock industry. The failure of the livestock industry will, of course, affect all of agriculture, and that which affects all of agriculture directly affects all Americans and the position of this Nation in world trade.

I would also like to remind our colleagues, Mr. Chairman, that many of the same individuals who oppose the legislation before us because of alleged costs to our consumers did not express equal concern over the cost to the American consumer when they cast their votes in support of the legislation extending the authorization for the International Development Administration or the bill extending the life of the Export-Import Bank. Neither did they raise their voice in anger at the cost to the American consumer in the recent legislation providing a direct subsidy for the operation of Amtrak or the legislation providing what amounts to a direct subsidy to the largest American publications by revising implementation of proposed increases in the rates of second class mail.

The IDA bill is perhaps a major case in point. IDA, of course, provides soft loans, for 30 to 50 years, at no interest, to foreign developing countries. Some of the Members who oppose this legislation before us supported the IDA bill, yet they argue that the bill before us is too costly to the American consumer.

The consumer argument is not borne out by examination of the bill before us. There are no grants involved in the bill. Neither does it provide Federal loans to producers. All that the bill before us does is to guarantee 80 percent of the loan negotiated between a borrower and his own lending institution. In no way does it subsidize or control interest rates.

Successful farming requires a credit operation. H.R. 15560 is designed to create credit for those livestock producers who have exhausted their own financial credit and can no longer borrow money to continue their operation. As they reestablish themselves, they will repay these loans. Only in a default will there be any call for Federal expenditure.

There is very little direct outlay of Federal money involved in H.R. 15560. It simply does not make sense to me that some of the Members who supported IDA, which called for a direct outlay of \$1.5 billion to foreigners, can oppose this bill as too costly to the American consumer.

Mr. Chairman, H.R. 15560 is a neces-

sary bill that will benefit all Americans. I do not favor subsidy legislation, but I will cast my people's vote in support of this legislation and urge our colleagues to join with me in voting for this measure.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Chairman, I rise in support of H.R. 15560, the emergency guaranteed livestock loan bill. It is legislation that is sorely needed at the present time. Sufficient safeguards have been written into this legislation. I urge its passage.

H.R. 15560 has sometimes been described as the Emergency Livestock Financing Act and variously described as the livestock guaranteed loan program. No matter how it is described, in my judgment it is meritorious and deserves the support of the membership of this House. It is nothing more or less than a bill to tide over our cattlemen who are now in trouble.

If one were to go into the history of the problems of our cattle feeders it would take some considerable time. I suppose one of the first setbacks was the effort at an organized beef boycott. This was followed by Government controls, or the freeze on beef prices. Another contributing factor is the removal of limitations on beef imports. All of these things were items of government interference. The cattleman did not want any interference, but the Government did interfere. As a result, the beef industry has suffered a total loss of \$15 billion.

Of course we recognize that Section 5 sets up a loan guaranty fund that shall not exceed \$2 billion, and the original bill contained a provision that the total loans guaranteed for any loan applicant shall not exceed \$350,000. While I intend to support an amendment which I understand will be offered by the gentleman from Iowa (Mr. MAYNE) which would reduce or limit the loans to \$250,000, I do so on the premise and rationale that the purpose of this legislation should be to help the family farmer. I must also be realistic and realize that if the figure of \$350,000 is not reduced the Secretary of Agriculture has advised that the President will veto the bill. If the loan limitation is reduced there is a good chance that this measure can be signed into law.

Once again, Mr. Chairman, let me emphasize that this is legislation that is beneficial both to the producer and to the consumer, as I will be able to demonstrate shortly. There were over 50 witnesses who appeared before the committee, including the speaker, who testified in favor of this kind of measure. I introduced an almost identical bill, and I suppose it could be said I am thus a cosponsor of this legislation. It is not difficult to put the need for this legislation in perspective. The Government imposed price controls and that jeopardized the normal operation of the market. Feeders and cattlemen did not want the controls, but they were imposed upon them. I repeat, feeders and other cattlemen

did not want controls, but they were imposed upon them. As a result, they lost from \$50 to \$100 a head.

Now if we consider the amendment to reduce the loan limitation from \$350,000 to \$250,000, is this a reasonable limitation, or is this still too high? The answer is that the average cattleman feeds on the average about 800. At the present time he has borrowed from his local bank as much as he can borrow. He is not a rich man. The average income of these cattlemen is from \$8,000 to \$10,000 a year. I think it is reasonable to say that not too many of us in the House can find much sympathy for those who feed 12,000 to 15,000 head of cattle a year. But it is very difficult to fail to have sympathy and concern for those who feed 300, 400, and 500 head of cattle.

Some of the sharpest and most caustic critics have called H.R. 15560 the great "beefdoggle," likening it to the expression "boondoggle" and have called it a \$2 billion welfare or relief bill for cattlemen, and some have referred to it as the Cattlemen and Beefers Relief Act of 1974. My answer to this kind of criticism is that those who use such language suffer from a myopia or shortsightedness that is difficult to understand. It is well for those who represent the big cities to have concern for their consumers. But a careful analysis of this legislation will reveal that this bill will in fact help consumers.

Oh, over the short run this legislation may help the producer, but in the long run it will certainly help the consumer. In the short run it may prevent some bankruptcy of cattlemen. But let us make no mistake about it, if these beef people go out of business the price of beef will shoot up next year. The passage of this bill is simply good economic sense.

If we pass this bill it means that we are making it possible to have more cattle. If we don't pass this bill there will be fewer cattle. The price will go up and the consumer will be hurt. It is just that simple. There is no gimmick here. This is nothing more or less than a Small Business Administration loan for the cattle people. The same kind of loan that has been made to small business is now extended to the cattle feeders.

It becomes a little irritating to hear this called the beef subsidy bill or the welfare and relief bill for cattlemen. Actually it is not a subsidy at all. There is no subsidy even as to the rate of interest. It is a loan. As to the \$250,000 limit which we all hope will be adopted, this would allow for feeding about 750 head of cattle, which is not a large operation.

My colleagues should remember that when the beef producer comes to market he is at the mercy of the market. He sells, or he takes his cattle home. I hope my colleagues never forget also the well established fact that all of the depressions we have ever had in this country have started in the rural areas and spread to our big cities. That must not happen this time.

Finally, let me emphasize one more time that this is not a giveaway. This is not a grant program. It is not even a



Government loan program. Rather it is a private loan program with a Government guarantee of 80 percent of the loan. It is more conservative than the Senate bill, which guaranteed 90 percent of the loan and originally called for a loan limitation of \$1 million per loan.

The fact of the matter is that we cannot let our beef supply go up and down like a yo-yo. It takes 2 years to produce beef ready for the table. If we don't have a stable supply of beef it will be the consumer that will ultimately pay exorbitant or even prohibitive prices for his beef. The best way to help the consumer as well as the producer is to proceed promptly to enact this emergency program for guaranteed livestock loans.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I rise in opposition to the bill pending before the House, H.R. 15560, the proposed Emergency Livestock Credit Act.

I oppose the enactment of this bill for several reasons.

First, I oppose its enactment because I believe the Federal subsidies to the livestock industries which would be provided through the bill's terms would result in an additional distortion of the laws of supply and demand. Those laws kept the prices of food fairly stable for years, insuring adequate supply in the process.

Government intrusion—through price supports and similar subsidies, followed in 1971 by mandatory price controls—has grossly distorted the market place. It has produced high prices on one hand and severe shortages in some food stuffs on the other.

Two wrongs do not make a right. That is certainly true here. It was bad policy to impose mandatory price controls on beef, and those controls contributed to the problems now faced by livestock producers, but imposing another Government program—this one in the form of subsidies—will not be any less disruptive in the long run to the laws of supply and demand than were the price freezes.

Second, I oppose its enactment because I see no reason why the American taxpayers—who are already overburdened—should be required to subsidize this industry.

Subsidies to producers are as antithetical to a market system—and the economic freedoms which are insured by such a system—as are subsidies to consumers. I state that as a matter of principle.

Now, what about the factual evidence? This factual evidence is my third reason for opposing the bill.

According to the Department of Agriculture, cattle profit margins have fluctuated enormously over the past 3 years. During 1972 margins ranged all the way from plus 27 per head in the first quarter to minus \$7 in the fourth. In 1973 the range was from plus \$70 in the second quarter to minus \$90 in the fourth. Although cattlemen have admittedly suffered negative margins through

the first half of 1974, losses per head have fluctuated from \$54 in January to \$140 in mid-June and approximately \$90 per head at present.

In just the 3 weeks since hearings were held on this bill by the committee, market prices have risen almost \$90 per head, and November–December—fourth quarter—future prices indicate positive margins. The 11th hour solution—subsidies—provided for in this bill are unnecessary.

A basic problem in the livestock industry stems from a spree of speculative private investment in feeder stock last fall. Yearling prices were driven to unprecedented highs on the assumption that steers could be marketed 6 months later at the equally high slaughter prices prevailing at that time. That was bad judgment, but it was judgment freely made.

In the interim, however, the American consumer said “no” to skyrocketing meat prices. Consumption dropped and market prices declined, accordingly.

Consumer choice—to buy or not to buy—is the foundation stone of a free economy. It worked here. It drove prices down. Now, what this bill would do, is to say, “We don't like what the consumers—the market—did; therefore, we are going to change their collective and decisive victory at the marketplace by force of law.”

What this bill would do is to shift the potential loss from the speculative investors to the taxpayers.

Are we now to expect that everytime speculative investors take a voluntary risk and then lose, that the taxpayers will bail them out? We cannot subsidize special economic constituencies with the taxpayers dollars without expecting every such economic interest group to be pounding on our doors looking for their subsidies too?

This bill is anticonsumer in its application.

Every consumer makes his choice—casts his economic vote, so to speak—with his dollar. If he wants to buy something, he does, and that creates demand. If it is too high a price to pay, then he passes it by, and that too is an economic vote—the use of individual economic choice.

Government action can never duplicate the economic diversity of a free and responsive people like ours. I place my reliance on them, not on Government regulations and subsidies.

I urge the defeat of this bill.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, I would like to associate myself with the remarks of those who have spoken in support of enactment of H.R. 15560. Although, as those who oppose its passage have pointed out, it is questionable whether this measure alone will bring livestock producers and feeders the relief they need, testimony before the committee as well as the testi-

mony I have taken daily from my constituents amply attests to the need for relief. If H.R. 15560 is not the complete solution to the problems of the livestock industry which have been largely created by ill-advised governmental intervention, it must certainly be a part of the solution.

If, after hearing the arguments, my colleagues remain unconvinced that this measure is not simply a “bailout” for banks and that it will actually help those who it is supposed to, I would urge them to support the amendments offered by my colleague from Iowa (Mr. MAYNE), which would disqualify corporations and partnerships who do not have at least 50 percent of their stock owned by stockholders and partners who are personally engaged directly and primarily in livestock production and to lower the individual loan guarantee limit from \$350,000 to \$250,000. I sincerely do not believe that this is in any sense a bailout bill, but, if my colleagues have reservations, adoption of these amendments should alleviate them and make it possible for the Members to support the bill in the confidence that the loan guarantees will be directed where they are most urgently and properly needed.

Again, may I emphasize to my colleagues, their favorable consideration of H.R. 15560 which is badly needed and well justified—not only for the sake of the individual operators it will assist in staving off bankruptcy, but also for the psychological boost it will give the industry to know that their Government, which was quick to institute the economic controls that have a great deal to do with their problems, is concerned over the economic well-being of America's livestock producers.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana, (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Chairman, I am today introducing a bill which I think will make a very good substitute for this bill, and I shall explain it in my statement.

Mr. Chairman, H.R. 15560 presents a very real dilemma. On the one hand, the guaranteed loan provisions amount to a Government subsidy to the livestock industry. But, in our free enterprise system, businessmen are expected to bear the burden of their loss just as they have a right to their profit. On the other hand, the Government is partially responsible for the present dilemma of our farmers and ranchers due to its interference in the market through such devices as wage and price controls. When demand was high, the Government denied cattlemen their right to raise their prices to market levels and thus to earn their just profits. So, there is some validity in the argument that the cattle industry should be, in effect, reimbursed by means of loan guarantees.

However, subsidizing the cattle industry will only violate the rights of the taxpayer—forcing him to support the investments of others. Who will reimburse the taxpayer?

The permanent solution to this prob-

lem is for the Government to establish a policy of hands-off in the marketplace.

In the meantime I have a proposal which I feel will greatly benefit the cattle industry without forcing the taxpayer to pay subsidies. I am today reintroducing H.R. 3825, a bill to amend the Federal Meat Inspection Act to require that imported meat and meat-food products be labeled as "imported." Although I announced in a "dear colleague" letter that I would not reintroduce this bill until July 23, the bill presently has 22 cosponsors.

This amendment will offer the American consumer the choice between meat "produced in America" and imported meat. As the overwhelming majority will undoubtedly choose American meat, this will greatly stimulate demand with no cost to our Federal Treasury.

Mr. Chairman, I believe this to be a fair and just answer to this dilemma and urge the defeat of H.R. 15560 and the consideration of H.R. 3825 by the House Agriculture Committee.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, I rise in opposition to the bill.

Mr. Chairman, it is my intention to vote against this act to provide financing for livestock producers—emergency guaranteed livestock loans—but for a reason that has not been articulated here on the House floor today. My objection has nothing to do with the argument that this is a farm subsidy, if indeed it is.

Opposition spokesmen have labeled this legislation a bank bonanza bill which will bail out banks and other investors in tax shelters, and there seems to be some basis for this concern. The wording of the bill as it comes from the Agriculture Committee does not insure that these loan guarantees would go to the bona fide livestock producers, especially smaller operations, which are in greatest need financially, rather than tax shelter operations and big commercial lots, which do not really need the loans for survival.

Moreover, it seems ironic that proponents of these emergency loans plead the hardship of the beef speculators and feedlot operators who are in dire financial straits with the plummet in beef prices. I grant that the financial hardship is real. But the ruse is that for the sake of political palatability the proposed legislation extends the loans to all types of livestock. Apparently you do not get a beef bill through unless you

appease the chicken, turkey, and pork people. And interestingly enough, not even all of the livestock people embrace this particular legislation. The Idaho Cattle Feeders and the South East Poultry & Egg Association oppose the bill and the Kansas Livestock Association does not support it.

On the other side of the fence, so to speak, I realize that beef producers are facing deep financial difficulties and I do not question that the purpose of this bill, despite its weaknesses, is to bolster that industry.

But the more significant question in the long run is whether the Federal Government should encourage and create high capital investment in beef as a major source of human nutrition, in view of the world food situation. Can we afford the investment, not so much of dollars but of precious and limited grain supplies, in a food conversion process so inefficient as grain-feeding beef? While the significance of this legislation next year may be whether banks or cattle-men benefited most, in 10 years its significance may very well be measured in how many million people starved in the world. So in discussing this legislation I ask you to consider with me a brief overview of the world food situation.

We must begin with the realization that the time has come when the United States can no longer shirk its responsibility to the world. We need a "man-kind perspective" in viewing the world food situation, and a sensitivity to the impact that even such a bill as this can have on the world food situation. America cannot and surely will not turn its back on starving people. The desperate food needs of peoples overseas requires more urgent attention by the American public and American public policy than has yet been manifest. Moreover, as our own national reserves become depleted we must realize that maximum efficiency in our utilization of our food sources is vital to our own national welfare and economy.

It is becoming apparent to world economists that the demand for food is far outstripping supply and the world is threatened with indefinite if not permanent food shortages. A July 20, 1973, congressional report on the Mutual Development and Cooperation Act of 1973 states that an estimated 300 to 500 million people in developing countries "do not get enough food of any type" and that "some 1.5 billion people have inadequately balanced diets and suffer particularly from protein deficiency." After last year's poor grain harvests the world is on the brink

of potentially catastrophic food shortages. World wheat reserves are at record low levels, in both the United States and the world. And some meteorologists predict reduced U.S. grain production in the next few years because the drought which seems to reoccur every 20 years is at hand.

On the world scene we have seen skyrocketing food prices, declining food reserves and actual food rationing in three of the world's heaviest populated nations. But most compelling is the actual death tally: several hundred thousand in the continuing African famine engulfing the nations of the Sahel, Ethiopia, Gambia, and parts of Tanzania and Kenya, and a projection of an astounding 50 million more deaths as the famine spreads to other developing portions of the world.

Famines have come and gone before. We have known shortages before only to see the horn of plenty once again replenished by bumper crops and surpluses. So the inclination of official Washington and the American people is to view this year's global scarcity as a temporary aberration that will pass. But several factors indicate that limited world food supplies is no passing phenomena this time, but a reality that we will have to confront daily. We can no longer operate on the mentality of plenty, but must be willing to change our thinking and alter our very lifestyle.

Man has increased productivity of the land arithmetically while population has increased geometrically, and correspondingly the affluence and indulgence of the developed world has steadily risen. Thus it is that if the present trend continues, food production will have to double over the next generation to meet the demands. And there is a very limited extent to which man can increase the production of the world's food supplies.

Traditionally, food supplies have been increased through expansion of cultivated land and improved techniques resulting in higher yield per unit of land. But most of the world's cultivatable land is already being utilized; in some industrialized nations the amount of land being formed is actually decreasing. Lack of reasonable land use policies has permitted misuse of agricultural land. And most of the world's farmland, with exceptions of areas just now realizing the "Green Revolution," has nearly reached maximum production.

The only real hope seems to be population control and maximum efficiency in utilizing the world's food supplies. I include the following:

PROJECTED WORLD GRAINS PRODUCTION, TRADE, AND CONSUMPTION, 1973-74<sup>1</sup>  
[Millions of metric tons]

Country	Pro- duction	Exports	Imports	Net trade	Consump- tion	Country	Pro- duction	Exports	Imports	Net trade	Consump- tion
Industrial countries, total.....	688	121	83	38	650	Developing countries, total.....	507	15	54	-38	545
United States.....	239	69	—	69	170	China.....	157	1	8	-7	164
Canada.....	38	19	—	19	19	India.....	123	—	6	-6	129
Western Europe.....	133	19	45	-26	159	Other.....	227	14	39	-25	252
Japan.....	14	—	19	-19	33						
U.S.S.R.....	152	4	11	-7	159	Total, all countries.....	1,195	136	136	0	1,195
Eastern Europe.....	86	—	8	-8	94						
Other.....	26	10	—	10	61						

<sup>1</sup> These projections assume no changes in stocks. Grains include only wheat, rice, and feed grains. Production of rice is calculated in terms of paddy.

Sources: U.S. Department of Agriculture, Foreign Agriculture Circular, "World Grain Situation: Review and Outlook" (Aug. 24, 1973). Food and Agriculture Organization, "The State of Food and Agriculture, 1973" (Preliminary version, August 1973). Figures are rounded and may not add to totals.



At the heart of the world food crisis concern is the manner in which we regulate and utilize our crucial cereal grain supplies, the backbone of the world food structure. Grain consumed directly provides 52 percent of our food energy intake and indirect consumption through livestock products provides much of the remainder.

And the statistics indicate that grain-fed beef, as a source of protein, simply is not a very efficient use of grain. In a statement of the American National Cattlemen's Association before the National Conference on Nutrition held in June 1974, Dr. G. Alvin Carpenter reported a conversion factor of 7 to 8 pounds of grain required for 1 pound of beef gain in the feedlot when cattle are being finished for market. USDA officials estimate, as a ballpark figure, that 6 to 7 pounds of grain are required to produce a pound of beef. Contrast this to the greater efficiency of hogs at about 3.5 pounds of grain per pound of meat gain and 2.5 pounds of grain per pound of meat with chickens. See chart below:

#### LIVESTOCK CONVERSION FACTOR

Beef: 6-7 pounds grain per 1 pound beef gain; 10-11 pounds high quality alfalfa per 1 pound beef gain; 12-14 pounds low quality cut ruffage per 1 pound beef gain; 18+ pounds grazed ruffage per 1 pound beef gain.  
Pork: 3-3.5 pounds grain to 1 pound pork.  
Broilers: 2.5 lbs grain to 1 pound chicken.  
NOTE.—Based on USDA estimates.

In this Nation alone, the U.S. Department of Agriculture reports an estimated 40,800,000 tons—45,457,000 tons including concentrates—were used to fatten beef cattle during the annual period from October 1, 1973, to September 20, 1974. During that period 24,450,000 head were fed out, so each animal consumed an average of 3,718 pounds of grain. An estimated 740 pounds of grain were consumed per 100 pounds beef gain, resulting in a conversion factor of about 7.4 to 1.

Grain consumption of U.S. beef (Oct. 1, 1973–Sept. 20, 1974)

	Tonnage consumed
Grains	40,800,000
Corn	25,295,000
Sorghum	10,659,000
Oats	360,000
Barley	2,219,000
Wheat/rye	2,267,000
Grains plus concentrates	45,457,000
Animal fats	11,000
Seed meal	575,000
Molasses	1,606,000
Urea	596,000
Salt	1,100,000
Mineral	590,000
All others	179,000
Additional consumption during fattening roughage:	
Hay	20,564
Corn silage	33,578,000
Other silage	3,237,000

Another revealing approach is to contrast U.S. grain consumption with that of underdeveloped nations. In poor countries, grain consumption per capita per annum is about 400 pounds, almost entirely through direct consumption. These nations simply cannot spare grain to raise livestock. But in North America, yearly per capita grain consumption is nearly 2,000 pounds—a ton. But only about 150 pounds of this ton is consumed

directly as grain; 90 percent of our grain consumption is indirectly through livestock, chiefly beef, at 7 to 1 inefficiency.

The implications are staggering. If we would decrease beef consumption by 33 percent substituting poultry, or eat one-fifth less beef and substitute raw grain products, enough grain would be saved to feed more than the 50 million people.

Yet the fact is that American beef consumption, as in the rest of the world, is steadily increasing. Between 1940 and 1972 our national beef consumption tripled, and our per capita beef consumption rose from 55 pounds a year in 1940 to 117 pounds in 1972. And our national policies continue to encourage consumption of grain-fed beef.

Now I confess that I am a city boy. But a staff member whose origin goes back to a small beef spread in central California tells me that the USDA beef grading standards are heavily biased toward grain-fed as opposed to hay or grass-fed beef. And the boys at the USDA backed him up on this.

The USDA has eight ratings for grading beef carcasses, based on the quality of individual characteristics relative to the maturity of the beef. Marbling, texture, and color are three very significant criteria heavily weighted toward grainfed beef. Marbling refers to the fat and lean tissues intermixed in the meat and is achieved through heavy grain-feeding. The top three USDA grades—prime, choice, good—are almost an exclusive club for grain-fed beef. Range-fed or hay-fed cattle will seldom grade higher than the fourth level, standard. Grades below standard are variations of commercial utility—for hamburger or even dogfood.

Many people think that grain-fed beef is much more delicious, though some prefer the natural meat, butchered off the pasture. But for all of the extra precious grain that goes into grain-fed beef, the nutritional value is not substantially higher than range or hay-fed beef. In fact, doctors now say that the extra fat—and higher colostrum content—of grain-fed beef is very hard on the heart.

In his numerous distinguished works on the world food crisis, Lester R. Brown, senior fellow at the Overseas Development Council, asserts that in view of these mind-boggling implications, we are going to have to significantly modify our lifestyles.

It is very likely that we will have to significantly decrease our consumption of beef, and substitute for it range-fed beef—grass and hay are not the valuable human food source that grain is—and pork and poultry.

Moreover, science is now discovering that there is real possibility in substituting less costly, more efficient vegetable proteins for beef. Substitution of vegetable fats for animal fats has been tremendously successful already. In 1940, an American, if he was average, consumed 17 pounds of butter—an animal product—and 2 pounds of margarine—a vegetable product—whereas today he consumes 11 pounds of margarine and 5 pounds of butter. The advantages have been economic, nutritional, and ecological, and a reduction of intake of satu-

rated animal fats which contribute to heart disease.

Now the day of the "soya-burger" is arriving as technology develops vegetable—mostly from soy bean proteins—substitutions for beef. The new product is high in protein, low in fat, and does not require refrigeration. Even before complete substitution can be achieved, "soya extenders" can be used to make meat go much farther. See chart of comparative nutritional value of vegetables and meat. All of the life-sustaining nutrients can be obtained from the raw grain and vegetable materials without circulating them through cow factories.

The chart referred to follows:

TABLE I.—COMPOSITION OF BEEF AND GRAINS (PER 100 GRAMS)

	Food energy	Protein	Fat
Beef: carcass—total edible, choice grade	379	14.9	35.0
Barley, pearled, light	349	8.2	1.0
Corn flour	368	7.8	2.6
Oatmeal, rolled oats:			
Dry	390	14.2	7.4
Cooked	55	2.0	1.0
Rice, brown:			
Raw	360	7.5	1.9
Cooked	119	2.5	.6
Sorghum grains	332	11.0	3.3
Soybeans—mature:			
Raw	403	34.1	17.7
Cooked	130	11.0	5.7
Wheat flours: Whole (from hard wheats)	333	13.3	2.0

Source: Composition of Foods, Agriculture Handbook No. 8, Agricultural Research Service, USDA, 1963.

TABLE II.—Crude protein per acre, 1973

	Pounds
Barley	213
Corn	456
Oats	165
Rice	398
Rye	179
Sorghum	362
Soybeans	591.4
Wheat	244

Source: U.S. Department of Agriculture, Agricultural Research Service.

Now let me make it clear that I am certainly not urging Congress to outlaw beef tomorrow or 10 years from tomorrow.

What then is the significance of this to H.R. 15560? Again, I raise the question, "Should the Federal Government encourage and create high capital investment in beef as a major source of human nutrition, in view of the world food situation. Can we afford the investment, not so much of dollars but of precious and limited grain supplies, in a food conversion process so inefficient as grain-feeding beef?"

The answer is that the beef industry should have to compete on the free market through the law of supply and demand. And if that 7 to 1 inefficiency factor becomes too costly with limited grain supplies and increased nutritional needs, other more efficient sources of protein will become gradually necessary. Two billion dollars in loans will only prolong the process and artificially stimulate the free market. In the end the market and the future must deal with the matter naturally.

The CHAIRMAN. Pursuant to the rule, the Clerk will read the committee

amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment.

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

The CHAIRMAN. The Chair will count.

Seventy-seven Members are present, not a quorum.

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

Members will record their presence by electronic device.

The call was taken by electronic device.

#### QUORUM CALL VACATED

The CHAIRMAN. One hundred and three 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.

Mr. MONTGOMERY. Mr. Chairman, I appreciate the gentleman yielding and giving me an opportunity to express my very strong support for the emergency guaranteed livestock loans. As a sponsor of similar legislation I urge my colleagues favorable consideration of this bill.

To set the record straight, this bill is in the interest of the consumers of America contrary to what the opponents of the measure would have you believe. It is simply a case of the livestock producers of the Nation being caught in a squeeze and needing the availability of loan money in order to remain in the business of producing needed food for the American people. This bill provides no special favors for the agriculture interests of America. Those applying for the loans will still have to pay the going rate of interest and there will be no interest subsidy on the part of the Federal Government. However, by having the Government guarantee 80 percent of the loan, we will be providing an incentive for lending institutions to make these much needed agriculture loans. This incentive is needed because of the present tight money conditions in the United States that is making it virtually impossible for anyone to borrow the money they need.

I think we should consider for a minute what would happen if this legislation fails to pass. The direct result would be that small livestock producers will be forced out of business throughout the Nation. The indirect result will be a future shortage of meat supplies thereby further driving up the price of beef, poultry, and pork and causing even further inflation. I hardly think we would want to be in a position of knowing that we caused another food price increase by failing to vote in favor of H.R. 15560.

Mr. Chairman, I urge favorable consideration of the emergency guaranteed livestock loans and hope my colleagues will give the measure their approval.

Mr. ANDERSON of California. Mr. Chairman, I rise in opposition to H.R. 15560, a bill to guarantee loans totaling \$2 billion to livestock producers.

Last year, when meat prices were sky high, the Secretary of Agriculture ad-

vised consumers to buy other, cheaper meat substitutes.

Now, when prices received by cattlemen are low, the Agriculture Committee proposal would alter the law of supply and demand by bailing out the marginal producers with Government-guaranteed loans.

Meanwhile, the consumer continues to get soaked by high prices at the meat counter, because of a failure by packinghouses and chainstores to reduce prices to correlate with lower prices paid to the farmer.

Meanwhile, the prospective home buyer is being asked to pay 12 percent interest on a home loan, to be further compounded by this proposal which would further tighten the credit crunch by siphoning off scarce dollars to farmers.

And meanwhile, the Federal budget is completely out of kilter, with expenditures exceeding revenues by an estimated \$9 billion, this fiscal year alone, thus further fanning the flames of inflation. And this proposal would cost the taxpayer an additional \$90 million.

Mr. Chairman, I am a small businessman, and, as such, I think I know something about economics. In the free market, a consumer will buy your product if it is at the right price and if it is wanted. If you are successful a lot of people will go into the same business and, as a result, prices will drop due to a heavy supply and rather fixed demand. But when something artificial—such as Government interference—encourages marginal producers to stay in the business, thus creating higher supplies, the price will remain low, hurting everyone, even the efficient producers.

This chain of events will occur, of course, unless someone along the line decides to hold back supplies. And this is presently happening in the meat business. Packinghouses have huge stockpiles of beef waiting for prices to rise even higher at the meat market.

And profits in these two segments of the industry—packing houses and chain stores—are soaring. Meat packers' profits are up 40 percent over last year, and food retailers are receiving net profits 30 percent over last year's level.

Basically, the reason for current low prices for the cattleman is last year's bonanza when the cattlemen were making profits of \$11 per hundred weight, thus causing speculative investment in feeder stock. And as a result, the Agriculture Department predicts that 9 percent more beef will be slaughtered this year than last.

And according to the economic law of supply and demand, supplies will increase, prices will drop, and marginal producers will get out of the business, thus decreasing supplies and reversing the cycle.

Thus, a vote for this measure will artificially maintain higher prices for the consumer, encourage speculators and marginal operators to remain in business, and postpone the problems until next year.

But, a vote against this proposal will permit the free market to work by reducing prices for the consumer, and

eventually reducing supplies back to the level needed to meet the demands.

Government action, Mr. Chairman, is not needed to prop up or bail out the weaker segments of this industry. Rather, Government action is needed to induce the packers and the supermarkets to pass along lower prices to consumers, thus increasing meat consumption.

Mr. STARK. Mr. Chairman, I would like to urge my colleagues to join me today in opposing H.R. 15560, the emergency guaranteed livestock loans bill. I do not believe there is a Member in this body who would not like to see the cattle and livestock market return to its halcyon days of a few years ago. We all agree that Government intervention in this sector of the economy has not worked. Meat prices are higher and the producers are worse off than ever before.

The point to be made today is simply that more intervention will not help. We ought to realize that Government assistance today for this industry means the call for it tomorrow from another industry. This bill would set a terribly dangerous precedent—and even then we would not be assured that when the assistance ends the livestock industry will be strong and self-sufficient.

Cattlemen are a strong, hearty breed. They have been through hard times before and survived without this kind of intervention, and they will survive again. The Government's role should not be to prop them up after it has let inflation skyrocket to the point where the industry needs assistance. There is no better time to assert this than today.

For the interest of my colleagues I would like to insert in the RECORD at this point an editorial from the Wall Street Journal of June 26, 1974. I hope that this warning will be heeded:

#### HOOFBEATS ON CAPITOL HILL

Our heartfelt sympathies go to the nation's livestock feeders and ranchers, who have lost more than \$1 billion since beef and hog prices broke last fall. Our regrets do not extend to having the taxpayers bail the boys out of their financial difficulties, however, even though they are understandably arguing that because the government helped get them in this fix it has an obligation to get them out.

The simple answer to the above is that the government didn't force anyone to do anything against his will, but simply caused general confusion in the industry last year by freezing beef prices. Whenever the government suspends the law of supply and demand in an industry, the industry has to make economic judgments without benefit of a price signal. Operating in the blind, and assuming the public would continue to increase its consumption of meat even at sharply higher prices, the livestock feeders bid the prices of feeder cattle and hogs into the stratosphere. They were wrong.

They now want the government to bail them out with loan guarantees, and the Senate has whipped up an emergency program to that effect. There are at least two good reasons why such a program should not be enacted. One is that credit guarantees further cloud the signals of the market, on the margin encouraging investment in feedlot operations when at the moment there is obviously oversupply. Secondly, it would be a dangerously bad precedent. Every sector of the economy can now put together a case that it has been harmed by government interference in the marketplace, and we would



be the first to agree. But can the government guarantee everyone's credit?

The other hot idea the livestock people have been pushing is to reimpose quotas on meat imports. "There is simply no justification for permitting unlimited meat imports into our nation today," says Iowa's Sen. Richard Clark in urging same. Without realizing how foolish it sounds, the Senator also says "the administration can do more to encourage beef exports. Specifically, this country can accelerate negotiations with Canada that will lead to lifting of the Canadian ban on beef imports." In other words, all those foreigners should stop sending us beef and we have to talk them into buying ours.

It is unfortunate that U.S. trading partners have been restricting meat imports, giving one excuse or another. The real reason is that just as there are now hoofbeats on Capitol Hill, livestock interests the world over have been stampeding their respective governments into protectionist, beggar-thy-neighbor policies. The price slump, after all, has been world-wide.

How nice it would be if the United States were in a position to express outrage at these practices. But the United States itself is the culprit. We're the main consumers of beef in the world; the world price rises and falls chiefly as a result of supply and demand here. During the last big price slump in livestock, Congress passed the Meat Import Quota Act of 1964, signaling the livestock producers abroad that there was only limited access to the biggest market.

When supplies tightened and quotas were lifted in June, 1972, the U.S. government thereby invited producers abroad to gear up again for this market. The price freeze last year not only confused the domestic industry, it confounded the foreign producers. How can we now blame them for wanting relief from the selfish and absurd stop-and-go policies of the U.S. government?

Enough is enough. The domestic livestock people, who are big boys, should recognize that government "assistance" is an illusion, that the inevitable effect of loan guarantees or import quotas is simply a deepening of the curves in the beef cycle. With no government interference at all, there would still be ups and downs in the industry. But it would take one of nature's worst catastrophes to trigger a boom and bust cycle of the kind the government fashioned these past few years.

Instead of caving in to the livestock lobby and starting the cycle again, the government should emphatically renounce these assistance schemes. If it does so with enough conviction, it might be in a position to persuade our wary trade partners that we can be trusted. They'd then have a better chance of resisting the pleas of their livestock interests and the nontariff barriers to trade can be negotiated away. Whether the cowboys believe it or not, the quickest way to get their industry back to health is to get themselves and their horses back on the range, or at least out of Washington, D.C.

Mrs. SULLIVAN. Mr. Chairman, before we vote on this bill, it might be well to look back a bit and see how the cattle feeders and other livestock farmers got into the plight this legislation is intended to deal with.

Throughout my career in the Congress, I have supported legislation to assure a fair return for the farmer on the food he produces to feed our growing urban population. I served on the National Commission on Food Marketing which made the most comprehensive investigation ever undertaken by the Federal Government into the complex structure of our farm-to-supermarket-shelf agricultural economy. I cite this background because I certainly am not and never have

been antifarmer. Far from it. But how did the farmer get in this cost squeeze?

The galloping inflation which has done-in the cattle producers—by saddling them with very high costs while their commodity prices have been falling—has been a predictable result of the failure of the Nixon administration to use its price control powers with intelligence and compassion, particularly between the period January 11, 1973, and April 30 of this year. In fact, as far as agricultural commodities are concerned, the administration blundered from the start of price controls on August 15, 1971, by exempting all agricultural commodities from the price freeze and from all subsequent price control regulations. And we all know that the inflation of the past 2 years has been based in large part on unregulated farm price increases, particularly after the disastrous Russian wheat deal.

During the period when all agricultural commodities were soaring in price, the farmers apparently seemed to enjoy the inflation which was undermining the rest of the economy. Fifteen months ago, when the House Banking and Currency Committee sought to stop the inflation spiral by rolling back all prices, including raw agricultural commodities, and credit rates, too, back to the level of the start of the phase III fiasco beginning January 11, 1973, we had a bitter battle here on the House floor over the whole idea of rollbacks. Spokesmen for the agricultural sector led the fight against rollbacks, and carried the day.

The consumers were not the only ones to lose in that fateful legislative battle of April 16, 1973. Small business lost, too—grievously—by the subsequent surge in interest rates to levels no one ever would have thought possible. And the effects of this have now been spilling over into trouble for the larger corporations, too, for the entire housing industry, the savings and loans, and now some of the banks as well.

But the farmers have been among major losers also. The constant rise in agricultural prices reached a zenith and then began to drop. But the farmer's costs did not decline. This is exactly what some of us predicted here on the House floor on April 16, 1973, when we debated the rollback legislation. The farmer's prices have dropped but his costs are still rising.

And because this administration refused to use its powers to cope with rising prices and interest rates, when it had such powers, the controls became a farce in every area of the economy except in wage controls. Consequently when the price-wage control authority was expiring in the spring of this year, there was absolutely no confidence left anywhere in the economy that the Nixon administration would use effectively and fairly any further authority to regulate prices, wages, rents and interest rates. So that authority died on April 30, 1974, with few mourners.

But now the victims of inflation are multiplying—not just the elderly and the poor but the whole middle class of the United States, including businessmen and farmers.

The Moving Finger writes; and, having writ, moves on: nor all your Piety nor Wit shall lure it back to cancel half a Line, nor all your Tears wash out a word of it.

All we can do is learn from this unhappy experience—that you cannot control inflation by wishing it gone, or by giving one segment of the economy a free ride to raise prices while other areas of the economy are controlled. If we ever again get into the situation where we vote antiinflation controls again—and we may have to do that in order to save this country's economy from collapse—let us remember that farm prices are as important to control as any other part of the economy, including the farmer's costs.

The so-called friends of the farmer who helped to block effective inflation control legislation here on the House floor 15 months ago, on April 16, 1973, did the farmer no real favor, and the bill now before the House this afternoon is the proof of that.

Mr. BAUMAN. Mr. Chairman, I rise in support of the passage of H.R. 15560, which would establish a temporary guarantee loan program to assist eligible persons who are directly engaged in the agricultural production of poultry and livestock. The need for this legislation results from the present low prices all segments of the livestock industry are receiving for their products. While most of the headlines in the Nation's newspapers have referred to the problems of the cattlemen, depressed prices and high feed costs are also a problem for egg and poultry farmers.

Earlier this month, I joined with 31 other members of the House from 10 States in cosigning a letter to Secretary of Agriculture Earl Butz citing the extreme problems which the poultry industry is experiencing. The high cost of feed grains coupled with a sharp decrease in the wholesale price that the farmers are receiving for their products has caused many poultry producers to lose money on every pound of poultry they produce. A recent article in the Wall Street Journal indicates that producers are currently losing a 10 cent a dozen or more on eggs, up to 12 cents a pound on turkeys, and 5 cents a pound on broilers. In the Delmarva area producers are currently losing at least 6 cents per pound on broilers.

While it is true that excessive Government involvement under the provisions of the Economic Stabilization Act, which allowed wage and price controls, lead to a serious imbalance of the normal relationship between supply and demand, it should be made clear that this bill does limit the amount of further Government control. As noted in the House report, there are no grants involved in this legislation, nor does it provide loans to producers. It does guarantee 80 percent of the loan negotiated between a borrower and his own lending institution at the going interest rate, a provision designed to create adequate credit for livestock producers who have exhausted their own resources and can no longer obtain a loan through private sources without some guarantee.

Frankly, I do not particularly like further Government involvement in agri-

culture, but it seems clear to me that the lack of any constructive action by the Congress will lead to the economic collapse of many producers in the livestock and poultry industry. This would result in a sharp decrease in supply and the American consumer eventually would pay higher prices for available supplies of livestock and poultry. A serious depression in the poultry and livestock industry would have a severe economic impact on the farming communities in this country and related supply and manufacturing industries.

Mr. Chairman, the long-term solution to the present depressed economic aspects of the poultry and livestock industry must be increased consumer demand, but the adoption of this measure is a necessary and vital legislative step which must be taken to insure the continuing existence of the livestock and poultry industry.

Mr. BIAGGI. Mr. Chairman, I rise in opposition to the bill H.R. 15560. I base my objections on several fundamental grounds, the most important being my concern about the specter which this bill raises; namely, the concept of Government becoming further and further involved in providing economic supports for special interests.

In some respects, this bill is reminiscent of the Lockheed loan bill, legislation which I opposed on very similar grounds. I feel now, as I did then, that we are establishing a bad precedent, one which may result in Congress having to spend its time rescuing powerful industries and companies who, after exhibiting bad judgment or demonstrating fiscal incompetence, find themselves needing to be bailed out with emergency funds from Congress.

I do have a certain amount of sympathy for the problems of the livestock industry. Some of these problems are legitimately not their fault. To a certain extent, the price controls of last year clouded signals on the market which resulted in the uncertain economic times that the industry faced. Yet, now with cattle prices rising again, and the general emergency passing, we must ask ourselves, Do we reactivate the problem by encouraging more production when overproduction is already a major problem?

I am in sympathy with the industry, and feel that their own interests are not adequately served by this bill. This bill benefits bankers and other investors who made ill-advised investments trying to capitalize on an inflated cattle and hog industry, and does not benefit the ranchers who are in more need of help.

However, I am in much stronger sympathy with America's great forgotten group, the consumer. It has been the consumer who has been shouldering the burden of inflation and, unlike certain industries, has been unable to reap any benefits from inflation. This bill today does not help the consumer in the least, and I think it incumbent upon you today to consider their interests—along with the special interests we are so willing to protect. If this is done by each of you today, this bill will be soundly and righteously defeated.

What we are—asking in this bill is

for the taxpayers of this Nation to put up as much as \$2 billion to support an industry which has consistently been exploiting them by charging high prices for its products. Some will ask, will this loan program not help bring down these prices? Certainly not; it will have no effect in doing so. Already we have seen a rather amorphous pricing pattern in the livestock industry. The lower prices passed on to the producers have not in turn been passed on to the consumer. Even if prices to the producers are kept low, there is no reason why the market manipulation by middlemen that has kept supermarket prices high, will stop.

The inflationary prospects inherent in this program stand to add further woe to the American consumer. One of the keys to curbing inflation is to control the money supply and limit government expenditures. This legislation will do neither.

It is interesting to note that some of the foremost spokesmen on behalf of consumer interest have come out in unqualified opposition to the bill. These include the National Consumers League, the National Consumers Congress, Public Citizens and the Federation of Homemakers.

Mr. Chairman—the legislation before us today is in the worst tradition of serving special interests. If we are to consider anyone's interest, how about the American consumer for a change. For years, the consumers of this Nation have been underrepresented in the Congress. Today's bill is but another in a series of anticonsumer legislation. I urge its defeat.

Mr. COTTER. Mr. Chairman, I would like to call to my colleagues' attention some very interesting recent developments in cattle financing. One of the major justifications for this bill is the need to assure cattlemen a continuing source of debt capital for herd replenishment. Without the Government loan guarantee, we are told by the committee, banks will be reluctant to extend further credit to those operators whose equity positions have been reduced as a result of the depressed slaughter price.

If this rationale were true, we would expect to find that cattle loan money is drying up. But, Mr. Chairman, this is not the case. As a matter of fact, there is new money going into cattle country that has never been there before.

Within the past 3 months, a major insurance company headquartered in my district and a major money center bank from Boston have established working relationships with bank holding companies in Texas and Nebraska. These novel arrangements are today pumping millions of new dollars into cattle country.

Mind you, this is happening during a time when the committee tells us cattlemen cannot get money.

As I understand the Texas arrangement, the Shawmut National Bank of Boston has combined with Texas American Bancshares, parent holding company of the Fort Worth National Bank, to establish the American Cattle & Crop Services Co.

Even as I am speaking, this new source of credit for cattlemen is making avail-

able to the industry money that has never been available before. To my knowledge, this arrangement represents the first time an Eastern money center bank has undertaken a major and continuing involvement in cattle debt financing.

I asked a Shawmut executive why a Boston bank would be going into cattle financing at a time like this. His response was quite candid. This arrangement provides short-term market rate loans, the most profitable kind of business for banks today.

And while this Government loan guarantee bill was still aborning, private enterprise was responding to the diminishing credit worthiness of some cattle operators by creating its own loan guarantee arrangement.

The first such arrangement involves a Hartford based insurance company and the Omaha National Corp., holding company for the Omaha National Bank. Under this arrangement the insurance company insures both the commercial paper and the loans of Agco Corp., a subsidiary of Omaha National Corp. By insuring Agco's commercial paper, the company makes it easier for Agco to attract funds which it in turn loans to cattlemen. And by indemnifying Agco against losses from defaulting cattlemen, the insurance company is assuring cattlemen of a source of debt capital that they might not otherwise have.

These are just two new money arrangements that have come to my attention. I am sure that there are others. For the fact is that financing cattle is very attractive to the financial community. And since it is so attractive, I see absolutely no reason for the Federal Government to enter this market.

Mr. ANDERSON of Illinois. Mr. Chairman, less than 1 week ago the Budget Reform Act was signed into law, and yet we already find ourselves—in our first major legislative action since the signing ceremony—preparing to let the budget control genie slip out of the bottle. Implanted front and center in this bill is that familiar device that we have just solemnly sworn to curb: backdoor spending to the tune of \$2 billion, although in the present instance it might be rechristened "barndoor" spending for it has been suggested by some that H.R. 15560 wreaks of a not dissimilar odor.

I would submit to my colleagues that this measure is a product of log-rolling, special pleading, misrepresentation, and hardly little more. It is ostensibly addressed to a catastrophic emergency in the livestock industry but in the short span of time that was required for the committee report to be printed and the Rules Committee to act, the emergency has largely disappeared, or at least substantially subsidized.

In the week before hearings started on this measure in late June, cattle feedlot operators were losing up to \$150 per head, and the committee has seized upon these frightful numbers as justification for hasty legislative action. By the end of last week, however, cattle prices had risen 25 percent from their June lows, so the losses had been cut to the range of \$90 per head.

In the case of hogs, the price recovery



has been even more vigorous with the result that the \$30 per head losses used to justify this bailout had been cut to less than \$10 by the end of last week.

Moreover, the prospects are good that cattle and other livestock producers will find their balance sheets returning to the black by the end of the year. The USDA projects that the costs of production for both cattle and hogs will decline by 20 percent between now and December. When you combine those projections with either current cash market prices or fall futures market prices you get modest profits of \$8 per head for cattle and \$3.50 for hogs. I recognize, of course, that margins of that magnitude will not produce rampant prosperity in the livestock industry; but I would suggest they are hardly the mark of a crippling emergency either.

Mr. Chairman, this bill has been rationalized in terms of fairness and equity for the beleaguered livestock producer. But I would ask my colleagues, what notion of fairness requires that we protect turkey producers from 10 cents per pound losses today when they were making profits of 25 cents per pound last September; or that we shield broiler producers from six cents per pound losses today when they were earning nearly 15 cents per pound last summer?

The fact is, Mr. Chairman, that with the exception of cattle, profit margins experienced by the sundry livestock producers covered by this bill were from two to four times greater last summer and fall than the loss margins being experienced at present. The livestock market is probably the single most flexible and sensitive in our entire economy and has historically been subject to wide fluctuations in price and profitability. Therefore to pick out price and profit trends during a narrow slice of time will inevitably produce a very misleading picture of financial conditions.

I am afraid that the advocates of this bill have made just this error. They have said not a word about the fact that between July of 1972 and August-September of last year, livestock producers earned nearly record profits. Since then margins have been admittedly negative, but not by nearly the magnitudes that have been bandied about here today.

For example, the average loss of hog producers was about \$9.50 per head between October and April compared to the catastrophic level of \$30 per head which prevailed for a brief period in May and June. Similarly, the average loss absorbed by turkey producers was about 1.5 cents per pound during the first 5 months of 1974 as opposed to the 10 cents per pound figure recorded during June.

Producers have lived with cyclical losses of these magnitudes in the past because that is how the market achieves an equilibrium between supply and demand. And they have been compensated for such periods of loss by robust profits like those which prevailed for more than a year prior to last October.

It would therefore ill-behoove us, I would submit, to begin tampering with that delicate market mechanism merely in response to a very temporary crisis. For in the long run, the inevitable result

would be to saddle the livestock industry with the same kind of counterproductive government manipulation that we inflicted on the grain and fiber sectors for almost 40 years, and have just now succeeded in eliminating.

Mr. Chairman, this bill has also been offered in the name of the family farmer and rancher. But I would point out that the cattle industry is comprised of two very distinct sectors: cow-calf operations which are almost entirely dominated by small producers, and the feed-lot sector in which almost 50 percent of cattle are fattened in lots with a capacity of 8,000 head or more, and more than 20 percent in lots with a capacity of 32,000 head or more.

Now let me make just two brief points regarding that crucial distinction. First, the family farm dominated cow-calf sector has not suffered the catastrophic losses which have been cited by supporters of this bill. Even as late as April-May, feeder price exceeded cash costs by a margin of \$90 per head.

Second, at current feeder prices and feed grain costs, a 6-month fattening cycle requires investment of \$3.5 million for an 8,000 head lot, \$8.6 million for a 20,000 head lot, and \$14 million for a 32,000 head lot. In short, the large operations which dominate the feedlot sector are not family farms but commercial ventures frequently controlled by outside investors. I have never met a family farmer in my district who could raise \$3 million in 10 years, let alone every 6 months, and I am sure that the situation is the same for most of my colleagues who have farming areas in their own districts.

Finally, Mr. Chairman, let me suggest that these large feedlot operations have gone through the financial wringer in the last few months not due to some bolt of bad luck from out of the blue, nor even primarily because of inappropriate Government policies—although I am perfectly willing to admit that the red meat price freeze was a disaster.

No, those \$150 per head losses experienced in June are directly attributable to the speculative fever that gripped the feeder market last fall; a spree of buying, based on the expectation of huge profits at the end of the 6 month fattening cycle, that drove yearling prices to more than \$60 per hundredweight and all out of proportion to their historic relationship with slaughter prices. According to the experts at the Department of Agriculture, feedlot operators were paying up to \$120 too much for feeder steers last fall and winter, and that accounts for almost the entire loss that many of them suffered when these steers were marketed 6 months later.

Mr. Chairman, I think we should think twice before we reward such ill-advised business judgment lest we encourage yet another round of speculative investment. I think we should pause before establishing a precedent for bailing out cyclically depressed industries, lest we next find ourselves bailing out everything from the airlines to the recreation vehicle industry. And most importantly of all, I hope that we will summon the good sense to turn back before we log-

roll this Congress into further disrepute with the American public.

I strongly urge that this bill be defeated.

Mr. BROWN of California. Mr. Chairman, I join other Members of this House in expressing my opposition to H.R. 15560, a bill to guarantee loans to producers of cattle, hogs, sheep, goats, chickens, and turkeys, in its present form.

One of the objectionable features of this bill is the opportunity it offers livestock producers to have the Government bail them out from past mistakes in management. The bill provides for loans to refinance the livestock operations of farmers, ranchers, or poultrymen, subject to certain conditions. What this means is that the Government can be placed in the position of taking over all the bad loans that various lending institutions have made to livestock, poultry, and other producers in the past several years. If these producers cannot obtain loans now, without Government guarantees, it must be because the bankers fear that the producers will be unable to repay them. Just having the Government guarantee the loans does not increase the producers ability to repay. The potential of this bill is another huge boondoggle reminiscent of early soil bank programs and another first time farm legislation.

A second objectionable feature of the bill is the assistance it will provide for large corporate farm livestock enterprises and outside investors. The proposed assistance, \$2 billion of Government-guaranteed loans, would, for example, provide the 155,000 cattle feedlot operators, on average, nearly \$13,000 of guaranteed-loan losses, if only cattlemen participated. Since averages never hold, the actual distribution will be far different. More likely, the loans will be made according to the size of the operation, up to a limit of \$350,000 per livestock operation. In beef production, the large feedlots—those with 1,000 or more animals in their lots—will receive the most benefits because of their larger size.

These larger feedlots are generally commercial operations organized under a corporate form of management. They represent only 1.4 percent of all feedlots but since they market 64.5 percent of the fed-beef animals in the country, their opportunity to take advantage of this credit program will be larger, that is, more nearly in proportion to their marketings than to the numbers of larger lots.

And lest anyone think a \$350,000 limit will in fact prevent the larger corporate feedlots from exploiting the bill, one only needs to look at our past experiences with the farm subsidy program where farms were "restructured" to come under the limit on subsidy payments.

With the extensive use made in the cattle feeding industry of a general partnership for management purposes and a number of limited partnerships for raising capital, I fear that each limited partnership would be able to apply for an individual loan of up to \$350,000. The practical limit on the size of the loan

would not be the \$350,000 but rather the ingenuity of the corporate applicants.

It is also important to recognize that cattle feedlot operations are characterized by considerable outside investment. It is estimated by Feedstuffs, a trade journal, that outside investors own anywhere from 25 percent to 50 percent of the cattle on feed in the United States today. In the West and Southwest, outside ownership in some States runs as high as 70 percent. The people who will be benefiting from the loan program envisioned in this bill are investors in high tax brackets, the Wall Street cowboys, who have poured capital into commercial cattle feeding operations over the past several years in search of long term investment opportunities, good returns on their investments, and tax management advantages such as income averaging or deferral of taxes. I hardly think it is the obligation of the Congress of the United States to rush to the rescue of individuals who got themselves into difficulty while trying to avoid paying their taxes.

In short, this bill would provide a large subsidy for larger, corporate form, farm producers of livestock animals whose operations are characterized by outside nonfarm investments. It would provide more benefits to those producers who need it less. Furthermore, the guarantee feature will reduce the risk of the loan to credit agencies and the reduction in risk will allow for lower interest rates, an additional subsidy for larger beef producers.

We are all aware that livestock producers have experienced severe economic fluctuations in the past year, most of which arose out of actions that were outside their control. Extreme fluctuations in feedstuff prices, adverse consumers reaction to rising prices for all foodstuffs, a downward trend in real earnings of workers in the first half of 1974, and higher consumer costs for other necessities, especially fuel and energy, have all contributed to cutbacks in the consumer's ability to purchase meat and livestock products.

These temporary or one-time events have struck the livestock industry almost without warning, and inflicted losses on it not unlike that which high-fuel costs have brought to the automobile and airline industry. "Every sector of the economy can now put together a case that it has been harmed by Government interference in the marketplace, and we would be the first to agree," the Wall Street Journal recently editorialized. "But can the Government guarantee everyone's credit?"

These temporary or one-time events have created additional risk for livestock producers, but they have not changed the basic economic structure of livestock production. Livestock production includes a substantial amount of risk, a characteristic that has long been the hallmark of the livestock parts of agriculture, and even more characteristic of the cattle and beef sectors.

However, cattlemen have preferred it that way. As the Wall Street Journal reported recently, a Texas cattleman told them—

It's kind of bred into us. If the Government would leave us alone, we'd produce what it wants. We don't want to be controlled by anybody, and we don't like agricultural products being used as a pawn in international deals.

The article noted that the ability of cattlemen to survive hard times is well known. Quoting a Department of Agriculture economist:

Cattlemen have always been able to weather the storm but I don't think they've seen a storm like this—at least not in two decades.

Further evidence of a lack of general support in the cattle industry for this bill is to be found in the recent announcement by the Idaho Cattle Feeders Association of the results of a poll of its own members. There was unanimous opposition to the loan guarantee program of this bill.

In short, even though there has been an outcry from some cattlemen for assistance, it is an outcry we should weigh very carefully before proceeding since many other businesses can also make the same argument.

In considering the merits of this bill it is useful to compare the loan program proposed by H.R. 15560 with the well-established loan program of the Small Business Administration. There are some significant differences. For one thing, it is only necessary in the bill for the lender to certify that he is unwilling to provide credit unless the Federal Government steps in and guarantees the loan. With provisions like this it would seem that the very bill itself will serve as an incentive to lending institutions to refuse credit. In contrast, in order to obtain an SBA loan, it must be demonstrated that credit is not available from any other sources including the borrower's personal credit. For example, a partnership might be having difficulty obtaining credit but one of the partners in it might be perfectly able to secure personal credit. Under these circumstances the SBA would deny a loan to the partnership but the Secretary of Agriculture would be obliged by H.R. 15560 to grant it even though it wasn't necessary.

The SBA act also appears to contain a more explicit requirement of repayment as a condition of granting a loan. Whereas the wording of H.R. 15560 requires that the Secretary of Agriculture find that "there is a reasonable probability of accomplishing . . . repayment of the loan," section 7(a) (7) of the SBA act emphasizes the security for the loan that is required in its provision that "all loans . . . shall be of such sound value or so secured as reasonably to assure repayment."

And while we are on the subject of conditions for the \$2 billion in loans provided for in this bill, it is important to note that only when the applicant is trying to obtain a loan to refinance his operations it is required by H.R. 15560 that his refinancing be essential to his remaining in business. I thought that was the purpose of the whole bill—"to preserve a basic industry," as the committee report puts it. But here we have it spelled out for us that in all loans except those intended for refinancing, the standards to be used by the Secretary of Agriculture are virtually nonexistent.

Even in the case of refinancing loans, just what is meant by the requirement that an applicant "remain in business?" Does it mean not shut down his operation completely or does it mean remain in business at the comfortable level where he used to be some time prior?

In addition to everything else, in testifying during the subcommittee hearings, Assistant Secretary for Rural Development, William W. Erwin, warned that in administering this loan program it would be virtually impossible to monitor the use of funds to prevent their use for capital expansion. An example might be in the case of a range operator who uses the loan money to make it possible for himself to hold back his heifers in order to build up his breeding herds.

Mr. Chairman, we should look carefully at this precedent-setting legislation. The livestock industry has long been able to exist without major assistance from the Federal Government. We should not vary from that position except to protect the needs of all sectors of the economy, consumers as well as producers, and then only order carefully circumscribed conditions, conditions that insure that the assistance goes where it is needed, not just to corporate speculators. We must differentiate clearly in any legislation as precedent-setting as this between long-term conditions and temporary economic abnormalities.

Mr. Chairman, only if this bill is amended to remove some of its worst defects will I be able to vote for it on final passage.

MR. WHALEN. Mr. Chairman, I join the gentleman from New York (Mr. PEYSER) in opposing this measure, and I congratulate him for his efforts.

I believe it is clear that innumerable factors have contributed to the problems of cattle producers and the other producers to which H.R. 15560 is addressed. The causes for these difficulties are varied, and they result from several economic realities. They will not be cured by dealing with only one area of the problem as this legislation proposes to do.

Livestock producers are over supplied today and are receiving less for their meat because of domestic and foreign restraints in the marketplace.

The domestic restraints have been imposed by the consumers who have decided they will not accept high prices. That determination, in turn, is based in part on the fact that their real disposable income has declined. Consumers also have found that higher prices have not resulted in higher quality meats. I doubt that guaranteeing loans for livestock producers will change the situation insofar as our consumers are concerned.

The restraints from abroad have been imposed by the major beef-consuming countries. Canada has placed a ban on U.S. beef. In addition, Japan and the European Economic Community have set import restrictions on meat. These actions occurred at a time when our country suspended such import restrictions.

Granted the above-mentioned situations coalesced with a high buying period for producers followed by record high feedstuffs. As a result, producers experienced losses in the first half of



this year. However, market prices again are on the rise. Therefore, I believe that this bill is premature, if not completely unnecessary. Furthermore, as I previously indicated, it does not begin to deal with the total problem, if indeed, there is a legislative solution at all.

I urge the defeat of H.R. 15560.

Mrs. GRASSO. Mr. Chairman, the bill before us represents a flagrant betrayal of consumer interests at the same time that it bails out cattle industry investors. I am unequivocally opposed to this bill as an irresponsible appeasement of special interests at the expense of the average citizen who has already suffered too much from high prices for meat and other foodstuffs.

Undeniably, the cattle industry is now reaping the adverse effects of its efforts last year to increase prices by decreasing supplies. But the industry itself incurred the loss by gambling with consumer interests. The Wall Street Journal noted that—

Assuming the public would continue to increase its consumption of meat even at sharply higher prices, the livestock feeders bid the prices of feeder cattle and hogs into the stratosphere. They were wrong.

Indeed, they were wrong. And while last year's freeze on meat prices created some confusion among meat producers, this is hardly justification for artificial Government props for an industry which simply miscalculated consumer demand. As the New York Sunday News put it, the producers "want the game rigged again to their own advantage."

Mr. Chairman, they cannot have it both ways.

The cattle industry is currently over-producing at the same time that consumers are faced with near all-time high prices for food. If this patently illogical situation is to right itself, meat producers must be compelled to lower prices in order to raise demand. The solution would seem far less compelling to the industry if it could be certain that the Government would subsidize its losses.

If the House passes H.R. 15560, the vast majority of the American people will be the ultimate losers. Who will be forced to subsidize the inflated beef industry? The average family struggling to make ends meet in an uncompromising world of rising prices. In return for their investment, the American people will be faced with limited supplies and high cost.

In fact, the bill removes money from the citizens' pockets, and then keeps food off their tables.

The Emergency Livestock Credit Act represents a profound injustice to the consumer. The House should reject this measure to bail out the cattle industry as legislation alien to the interests of people in Connecticut and throughout the Nation.

Mr. WOLFF. Mr. Chairman, I rise in opposition to H.R. 15560, the Emergency Livestock Credit Act. There are a number of things wrong with this legislation; it is bad from a consumer standpoint, from an economic standpoint, from a government standpoint, and ultimately from the standpoint of those it seeks to help.

For the past several years, the cattle industry has enjoyed good markets; the

past year has been especially lucrative, indeed, so much so that it has caused an overexpansion of feed lots and fat cattle. The cattle industry in the past year especially has lured in an enormous amount of tax shelter and tax avoidance money by the promise of attractive returns; the result has been overinvestment in an inflated market.

Unfortunately, during this period, the American consumer has not reaped any of the profit that might be expected from a productive and vigorous market. In fact, beef prices in the past year have reached all-time highs. Middlemen have not been passing on profits to consumers, in order to lower beef prices, and in fact, we have learned that beef, poultry and pork has actually been deliberately held off the market, stockpiled in cold storage, in order to keep prices high. The American consumer, much to his credit I feel, has not stood for this market manipulation, but has simply refused to buy beef.

Thus, we have a situation—which somehow this legislation purports to correct—whereby demand has fallen sharply while the cattle industry is over-producing. While I appreciate the problems of the cattle producers who have experienced several months of bad markets due to oversupply, this legislation is not the answer. To pass a government guarantee loan bill, like H.R. 15560, will only compound and prolong the problem of oversupply and low profits for cattlemen.

In addition, it will do nothing to get at the root cause of the cattle producers' problem—the fall off in consumer demand. When the market was good and producers' profits high, consumer prices did not go down, nor did they decrease during those months when the market was bad. Can consumers really expect a reduction in prices if this legislation is passed? The only long term and realistic solution is to increase demand and this will not occur until middlemen start to pass on reductions in prices to the consumer and begin to release some of the tremendous amount of warehoused beef they now hold.

This legislation may very well help some who made ill-advised investments in an inflated cattle industry during a period of unprecedented high prices. It will not help the cattle industry per se. It will only encourage and perpetuate the problem of oversupply.

It is my feeling that the market left to itself will correct itself. Already, the worst months for the producers are over; June figures showed a 16-percent decrease from last year of cattle on feed, and new cattle on feed are down 40 percent from a year ago. Unless we encourage it through this legislation, the oversupply will soon be gone and cattle producers will be receiving higher prices. In the meantime, I believe the Government can take a role in insuring that the vast supply of warehoused beef starts to move. Once this stockpiled beef is released and middlemen begin to pass on price reductions to consumers, I think we will start to see an increase in demand and the market begin to stabilize itself.

On a related note, I would also like to add that food prices may come down as

well if we stopped engaging in massive, irresponsible export agreements, like the Russian wheat deal.

In sum, Mr. Chairman, I urge my colleagues to vote against H.R. 15560 as an ill-advised piece of legislation.

Mr. MINISH. Mr. Chairman, I am of the firm conviction that the livestock loan bill is a very ill-considered piece of legislation. This bill, which has been reported out by the Agriculture Committee, would grant a Government guarantee on new loans to cattle and other livestock producers. In effect, this approach would use the consumer's own money in terms of his income taxes to keep up the cost of beef on his table. Such congressional action would be most unjust and arbitrary as it would in effect bail out the banks at the expense of the greater public interest.

There are many persuasive and cogent reasons that augur for rejection of the livestock loan bill.

First, the bill would interrupt the free market by allowing already heavily indebted cattlemen to plunge further in debt. It should be recalled that but 1 year ago the cattlemen were tracing the Halls of Congress arguing against governmental intervention. I believe that we should continue to heed their advice.

The fact of the matter is that the livestock markets have in the past few years been distorted by speculations, overproduction, and manipulations by producers. Now that the market is finally undergoing a downtrend from an all-time high, I see no reason why the Government should come to the aid of the producers. Rather, the Government should come to the aid of the consumers by allowing the free market to function. To do otherwise would be to promote the interest of the bankers and the livestock producers at the expense of the consumer.

Second, the crux of the present market situation is that American consumers are unwilling and in many instances unable to buy beef at current prices. Beef has been priced out of the family budget. To guarantee loans to the producer in order to increase production will not in any way increase the consumption of livestock. Rather, such an approach would induce the middlemen to maintain beef prices to the consumer at near record levels. In other words, with Government intervention, middlemen will most probably continue to capitalize on the producer's plight and consumers will continue to pay higher prices.

On the other hand, if the House were to reject the loan guarantee approach, the middlemen would be forced to recognize that they must reduce their profit margins in order to stimulate consumption. And surely, it is increased consumption, not Government surety action, that can provide substantive relief for the consumers.

As I have said before on other governmental loan programs, I do not believe the Government should rescue businessmen from errors in judgment. Rather, we should be concerned with the general welfare to which the Congress is directed by the taxing and spending clause of the Constitution. I suggest that we promote

the general welfare by rejection of the livestock loan bill, not by its passage.

Mr. MICHEL. Mr. Chairman, I support this bill reluctantly, but I do support it because I am afraid it is necessary legislation. It is really a sad state of affairs when we get to a point where we have to guarantee credit to any group of producers in this country, but the situation in the livestock industry has deteriorated to the place where an extraordinary measure of this kind is required to protect both the consumer and the producer over the long pull.

The unfortunate facts of the situation are well known and have been ably presented here by the members of the Agriculture Committee. High feed prices in combination with a roller-coaster livestock market—the likes of which we have not seen for years—have placed many livestock producers in an untenable position, through no fault of their own.

Farmers have always had to contend with the uncertainties of weather and markets, but the extreme gyrations the livestock markets have gone through recently are far beyond what anyone could reasonably expect even the most capable farm operators to cope with. And, some of even the most capable have been pushed to the brink because these wild fluctuations in prices have caught them at precisely the wrong times.

What happens when large numbers of livestock producers cease operations because they cannot get the credit they need to continue? The effect is felt first on the economy of rural America, when farmers stop buying the things they used to buy. This, in itself, is bad enough, but the crunch really comes when the livestock pipeline begins to run dry at the other end—on the supermarket shelf. That is when consumers begin to realize that the fate of the livestock producer does indeed have a direct bearing on what they are having for dinner and how much it is costing them.

So, I support this bill not only because I am concerned for the livestock producer who is suddenly facing economic disaster, but also because I have no desire to see meat go to the gourmet section of the local supermarket. And, there is just no question about meat becoming scarce and high priced if large numbers of producers go out of business. No question at all.

Even this bill may not prevent that. No one really knows how much it may help. You see, it is not a "bail-out." It is not a subsidy. It is a credit guarantee, which means that it may make a loan available to a producer who might not otherwise be able to get one because of losses he has sustained in this weird market. He still has to decide he wants to stay in business. He still has to determine that it is worth the cost of a new loan at the going interest rate for him to take a chance on another market cycle. Some will decide one way, some another, but at least this program would give the producer who is against the wall another alternative. And, I believe under the present circumstances we must be willing to offer that alternative. Livestock producers are not happy to be in this situation, and I do not think any of us are happy to have to be out here today

arguing for this kind of help for them, and for the consumers they supply. But, it would be worse than foolish for us to bury our heads in the sand and hope that the crisis will work itself out.

As consumers we have been having some pretty bad experiences at the supermarket as well as at the gas station. So, when something like this comes along it is understandable that some will feel "they brought it on themselves," or "let them stew in their own juice." An understandable reaction, yes, but not a justifiable one. Taking out frustration is one thing, but it is another to cut off your nose to spite your face.

The fact is, producers did not bring this on themselves. It was thrust on them by a combination of circumstances going back over a period of many months. Circumstances that have adversely affected farmers and consumers alike—inflation, tight grain supplies, price controls, fuel and fertilizer shortages. The farmers I have talked with are not interested in raking in huge profits. They are troubled when prices shoot too high, because it usually means reduced markets in the long run. They are not helped when speculators make a killing on the market, or restrict consumer supplies to reap a temporary windfall. They are interested in market continuity and stability, in making a profit enough above the costs of production to keep them in business and give them an adequate return on their investment. They are interested in producing a quality product at prices consumers can afford to pay. When retail prices go too high, they get hurt right along with the consumer—and they know this all too well.

We still have the most efficient agricultural industry in the world, despite the problems confronting U.S. farmers today. If we are at all concerned about the price and supply of food to consumers in this country then we have to be concerned over what is happening to the people who produce that food, and take the steps that are necessary to help them continue the job they do so well.

Mr. LEGGETT. Mr. Chairman, I would like to take this opportunity to express my support of H.R. 15560, a bill to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock producers. It is my contention that this bill will effectively protect the interests of the livestock industry as well as the interests of the consumer.

The recent hearings in the House Agriculture Committee produced evidence presented by the livestock industry which showed that they had incurred substantial losses over the past year. The cattle feeders alone reported an estimated loss of almost \$2 billion.

In order to understand more fully the implications of our current situation, it is necessary to realize the problems facing our Nation's livestock producers. It takes a large sum of money to run a cattle ranch. Not only does the rancher need grain to feed his livestock; but in order to provide for the upkeep of his ranch, he also needs wire for fences as well as tractors and machinery, as I am sure you are all aware. The inflationary

process has greatly increased the price of these items in comparison to the price of meat. Because of this, our Nation's cattlemen are losing from \$100 to \$200 per head. The market price of cattle, which has decreased by an average of \$150 a head, is suffering the most serious price drop in two decades.

As the cost of production increases and the beef prices decrease, the cash flow of our farmers is markedly disrupted. To continue to produce their livestock for the market, the farmers are forced to mortgage their cattle and land to obtain the necessary capital. If the cash supply dries up, huge debts begin to accumulate.

One solution to alleviate these debts is to provide our Nation's livestock producers with guaranteed or insured loans. Without federally guaranteed loans, the ranchers have to borrow their money from small banks. Because of the current problem which has placed them in dire financial straits, many of our livestock producers cannot repay their debts in full. Thus, they are rapidly losing their credit. Having no cash or equity, the next phase is bankruptcy or liquidation. It is possible to federally subsidize our livestock producers, but I would argue that this would create too much Federal intervention on the free market. An effective way to solve our current dilemma, without excessive Federal intervention on the free market, is to initiate guaranteed or insured loans for financially troubled farmers, feeders, and other segments of the livestock industry.

The livestock producers cost-price squeeze has been caused by many problems. An increase of foreign beef imports have increased the supplies and lowered the prices. During the recent price-freeze, many cattlemen held their cattle from the market until it was lifted. When the price-freeze was lifted, the market became glutted. Meanwhile, the consumer, who had been outraged by pre-freeze beef prices, had switched to less expensive sources of protein. The result was less consumer demand for meat. With the market glutted and relatively little demand for their product, the livestock producers found themselves in a very grave situation. I presume that the consumers will soon switch back to their preboycott practice of including meat in their diet, and unless we take some immediate action, we stand to lose up to 40 percent of our livestock producers in the future. This would then create a serious beef shortage. In order to insure the availability of beef and other livestock commodities to our consumers, we must come to grips with an effective remedy.

There are many possible solutions to this problem, but we must act now or we face a serious threat of total economic depression. Approximately 30 percent of our Nation's employees work at jobs which are related to agriculture. It is my feeling that the livestock industry is, therefore, entitled to federally guaranteed loans. The Senate has already taken actions along these lines, and it is my hope that the House will follow suit. I am not suggesting that H.R. 15560 will provide a total remedy for our current situation, but I do believe that this bill would be a reasoned step by Congress to



provide needed action for market stability.

The Clerk will read.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Livestock Credit Act of 1974".*

#### AMENDMENTS OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Chairman, I have an amendment to section 1 of the bill now before us, as well as conforming amendments to sections 2, 3, and 8.

I respectfully ask unanimous consent that these amendments may be considered en bloc.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. GILMAN: Page 5, line 24, strike the word "Livestock" and insert the word "Agricultural".

Page 6, insert a period at the end of line 4 after the word "production", and strike lines 5 through 8 inclusive beginning with the words "for the purpose of" and ending with the word "turkeys".

Page 7, line 11, insert the words "agricultural production" preceding the word "purposes", insert a semi-colon following the word "purposes", and strike the remaining language in lines 12 and 13 beginning with the word "related" and ending with the word "livestock";

Page 7, line 17, strike the word "livestock" and insert the word "agricultural", and at the end of line 23, strike the word "livestock" and insert the word "agricultural".

Page 9, line 16, strike the word "livestock" and insert the word "agricultural".

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. GILMAN) that the amendments be considered en bloc?

Mr. BERGLAND. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

#### POINT OF ORDER

Mr. BERGLAND. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from New York (Mr. GILMAN).

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

Mr. BERGLAND. Mr. Chairman, I make the point of order against the amendment offered by the gentleman from New York (Mr. GILMAN) on the ground that the amendment is nongermane. The amendment takes a number of specific subjects, beef, cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys, and broadens the class by a general provision to include all other commodities such as beekeepers, catfish farmers, and others.

It is well settled in the precedents that a specific subject may not be amended by a provision general in nature. Under Clause 7 of rule XVI, the amendment is not germane to the bill.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. GILMAN. I do, Mr. Chairman.

The way the amendments are drafted, they are intended to strike the words in the bill so as to enable the bill to be broadened to include other areas of agriculture. The intent of the amendments refers to agricultural loans, and complies with the intent of the main bill.

The CHAIRMAN (Mr. MEEDS). The Chair is prepared to rule.

The gentleman from Minnesota (Mr. BERGLAND) makes the point of order that the amendment violates clause 7, rule XVI. The general rule is that a general proposition is not in order as an amendment to a specific proposition, Cannon's VIII, 2998.

Specifically in point, however, is Cannon's Precedents, volume 8, section 3235:

To a proposition authorizing loans to farmers in certain areas, an amendment authorizing loans without geographical restriction was held not germane.

The Chair would observe that the language of the bill is confined in scope to "livestock" producers, and contains definition of "livestock." The purpose of the amendment offered by the gentleman from New York (Mr. GILMAN) would be to broaden the bill to all agriculture, including many products not livestock, and therefore the Chair sustains the point of order.

The Clerk will read.

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

Mr. Chairman, I think what was just demonstrated a minute ago on the floor with the gentleman from New York (Mr. GILMAN) about to offer an amendment in support of vegetable farmers is very typical of reaction throughout this country as to what is happening in this bill itself. In other words, we are, presumably, taking a certain specific branch like livestock and saying that these people are in trouble; therefore, the Government should go on the hook potentially for \$2 billion.

I should like to ask the gentleman from New York (Mr. GILMAN) who was about to offer this amendment as to why he felt that this amendment was a question, and what the problems of the vegetable farmers were, because it seems to me that he is expressing something that we should look at because if we are going to just restrict this to livestock, then, perhaps, next week we ought to have a bill for the vegetable farmers and a bill for someone else.

I will be glad to yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, what I was attempting to do by my amendment was to provide certain survival for those who in good faith were directly engaged in agricultural production who were not otherwise included within the description of eligible persons under this act. As the bill now reads, in addition to being directly and in good faith engaged in agricultural production, eligible persons must be so engaged for the purpose of breeding, raising, fattening, or marketing livestock.

While we recognize that many of our livestock producers are confronted with economic problems and, yes, even disaster, it is important to note that their plight is the result of manmade marketing miscalculations. The reason that that emphasis is so important is because I am personally familiar in my own district with numerous medium-sized corporate, family-owned vegetable farms in south-

eastern New York State that are faced with bankruptcy as a direct consequence of Hurricane Agnes in 1972, a natural disaster over which these farmers had absolutely no control.

I am advised by the Farmers Home Administration that this situation is not unique to that region.

While the Farmers Home Administration did in fact provide emergency loan assistance, it was grossly inadequate short-term assistance payable within 1 year. It was recognized then, and it is even more evident now, that long-term financing was the best assurance for recovery, but the Farmers Home Administration admits that these farmers are in a statutory "no man's land" in which there was and is not authority for making any long-term emergency loans necessary to insure their recovery.

With the understanding that recovery within 1 year would be highly remote, the Farmers Home Administration pledged that short-term loans could be renewed for a period of up to 5 years, but in January of this year we adopted Public Law 93-237, which the Farmers Home Administration interpreted as removing even that authority. Having received only 2 years of short-term assistance, our farmers were advised that they will now have to seek private credit beginning with their 1975 crops.

Mr. PEYSER. Mr. Chairman, will the gentleman let me take back the floor again just for a moment for my argument in conclusion? I want him to know that I think the argument he has made is perfectly sound on behalf of the people whom he represents, the way all of us could make arguments of this nature.

I should like to read a letter I received from Leeton, Mo., from the Bank of Leeton. This is a letter that says:

DEAR MR. PEYSER: This is to commend you for your position in opposition to the cattle loan relief bill, for reasons stated.

Four generations of my family have had cattle operations and at no time expected the government to cover losses of poor business judgment.

This goes also for the liberal lenders, who have loaded young farmers and stockmen with debts they cannot pay.

Stand by your guns, time will prove you are right.

I hope Congress will stand by its guns to defeat this bill.

Mr. Chairman, I have gotten letters that I am not going to try to read into the Record at this time obviously, but I have received them from Colorado and Georgia and Iowa and Kansas and Missouri and Texas, from small farmers and big farmers and associations such as the Cattlemen's Associations of Iowa and Kansas, all of whom have written and spoken in opposition to this bill.

The CHAIRMAN. The time of the gentleman from New York has expired. (On request of Mr. Brown of California, and by unanimous consent, Mr. PEYSER was allowed to proceed for 2 additional minutes.)

Mr. PEYSER. Does the gentleman from California wish me to yield?

Mr. BROWN of California. I asked unanimous consent for the gentleman to have the 2 additional minutes so he might finish his statement.

Mr. PEYSER. Mr. Chairman, I thank the gentleman from California. I appreciate the time being granted because I think it is important that we recognize it is not just the urban Congressmen or the urban-oriented people who are in opposition to this bill. This is a bill which I think people throughout this country who are in the business oppose, and this goes to the agricultural people and the cattle producers, because they want to have the opportunity to do their business without Government interference. The first place we are really going to put the arm on them is when we go into the business of financing them with Government loans. I think there is strong feeling being represented by these letters.

One I would like especially to point out, because Iowa has been mentioned, is one which deals with a news release printed just a week ago. I will read from it and it simply says:

Governor Robert Ray told the Agriculture Secretary Buttz today that they do not in Iowa favor the farm credit legislation that is pending.

It goes on to cite individual farmers, small farmers who testified and stated they did not want this bill because the true cattle producers, the men who are in this business are not worried about the ups and downs. They have struggled, as anybody else has, but they can make it on their own, but they object to the taxpayers' dollars, their own dollars going into support for another 6 or 8 months for the marginal producer who in the long run is going to fail and go bankrupt, and it is the taxpayer who is going to pick up the bill.

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

Mr. Chairman, I wish to enlighten my colleague, the gentleman from New York (Mr. PEYSER), although I can well understand his confusion, but I have had the great opportunity in my lifetime of living about 25 years in the urban area as well as 25 years in the State of Iowa. I can see why someone from an urban area may not understand agriculture and with this I am indeed sympathetic. But for the gentleman from New York (Mr. PEYSER) to consistently show his ignorance in the area of agriculture is most amusing to me because every time he takes the well of this House he just lowers the amount of judgment we have as far as his knowledge of agriculture is concerned.

I would like to tell my good friend, the gentleman from New York (Mr. PEYSER), that the Governor of Iowa does support this bill. The article the gentleman read in the papers was not entirely correct or else the gentleman misconstrued that information as well. The Governor of Iowa, Robert Ray, does support this bill but his fears were similar to those of some expressed in the Chamber this afternoon. He does not want the big conglomerates in the business of obtaining loans. He does not want the huge investors to receive this money. He, like my colleague, the gentleman from Iowa (Mr. MAYNE), wants this to be a family unit bill to retain in Iowa the livestock feed-

ing operations for which we have become renown.

I support the amendment of my friend calling for a reduction to \$250,000, which will feed only about 750 head of cattle. How that small amount of livestock can be classed as a conglomerate or a huge investment beats me, but as I said before it is not unusual to find this sort of interpretation or misinterpretation on the House floor.

In regard to the amendment posed by my good friend, the gentleman from New York (Mr. GILMAN), I am in sympathy with what he had in mind; but once again my good friend, the gentleman from New York (Mr. PEYSER) forgot to mention that on two different occasions funds were available to farmers under the Farmers Home Administration Act, those that were caught in Hurricane Agnes, two different options were available in 1973 and 1974. To include them at this time would not be very wise.

This is dealing with two specific things. The Agricultural Disaster Act, as stated by the gentleman from New York (Mr. GILMAN) states that these people already have had the opportunity for coverage. I think to include them in the bill at this time would be wrong.

If my colleague from New York would like to respond to that, I would be more than happy to give him the opportunity.

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

Mr. SCHERLE. I yield to the gentleman.

Mr. GILMAN. I thank the gentleman from Iowa for yielding. While I recognize that the focus of attention in this emergency measure is on the plight of our livestock farmers and that we are talking about the survival of our livestock farmers, so, too, must we consider other segments of the agricultural community. The vegetable growers in my region were confronted with a natural disaster that was compensated by the Farmers Home Administration for a short period of time; however, they now find themselves in the plight of not being able to survive under such short-term financing. They are not asking for any dole. They seek only the same type of long-term financing that we make available for businesses that are confronted with this same sort of problem.

Mr. SCHERLE. How long are these short-term loans for?

Mr. GILMAN. Initially, in 1973, when they were first accepted under the emergency loan program, they were granted 1-year loans and were informed that their loans could be extended for a 5-year period. But after we passed a new law in 1973, Public Law 93-237 which the Farmers Home Administration interpreted as removing their prior authority for extending the loans, stating that thereafter these loans would be good for only 1 year and that they would be calling them in November of this year. Accordingly, many of these vegetable growers will be faced with foreclosure unless the Congress does something promptly to assist them with these credit problems.

Mr. SCHERLE. Let me inform the gentleman, that is all this bill calls for is

1 year. Being a livestock farmer, I was hauled out in 1956 three different times. Now if one year goes by and those people are given Federal assistance, they should be able to recoup their losses in the following year. That is the way we operate in Iowa.

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

I just heard a moment ago the gentleman from New York (Mr. PEYSER) make reference to a letter from a bank that is located in our congressional district. I have just returned from the other side of the aisle. I noted the contents of that letter. The author of that letter, Mr. Baker of the Bank of Leeton, Mo., is a very excellent banker. He is located in a livestock-producing area.

On the other hand, I have letters from those on the other side of the issue. In all adjoining county, bankers have told me their cattlemen have borrowed all they can borrow.

Now, I commend the gentleman, the banker from Leeton, Mo., because he appears to be in better condition than the other bankers. Yet in the county just to the south, there are some small bankers who say they need this legislation. They tell me they have made bona fide loans and their cattlemen know no other place to turn for financial assistance. Our cattlemen are in an existing emergency. This legislation is reasonable and sensible. The 80 percent guarantee may sound high but remember no bank is going to risk losing 20 percent of its own funds if it can be avoided. That should insure careful scrutiny by the lender bank.

It has been provided that these loans are not available to anyone who can find a loan elsewhere.

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

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to establish a guaranteed loan program for eligible persons including operators of feedlots, who are directly and in good faith engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

(b) The Secretary shall guarantee loans, including both principal and interest, made by any legally or organized lending agency which otherwise meet the purposes and conditions of this Act. As used herein, a guaranteed loan is one which is made, held, and serviced by a legally organized lending agency and which is guaranteed by the Secretary hereunder: *Provided*, That the term "legally organized lending agency" shall not be deemed to include the Federal Financing Bank.

(c) No contract guaranteeing any such loan by a lender shall require the Secretary to participate in more than 80 per centum of any loss sustained thereon.

(d) No fees or charges shall be assessed by the Secretary for any guarantee provided by him under this Act.

(e) Loans guaranteed under this Act shall bear interest at a rate to be agreed upon by the lender and borrower.

(f) Loans guaranteed under this Act shall be payable in not more than three years, but may be renewed for not more than two additional years.

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that



section 2 be considered as read, printed in the RECORD and open to amendment at any point.

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

There was no objection.

AMENDMENT OFFERED BY MR. MAYNE

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

The Clerk read as follows:

Amendment offered by Mr. MAYNE: Page 6, line 1, strike out lines 1 through 5; strike out the word "livestock." on line 6 and insert in lieu thereof the following:

"SEC. 2. (a) The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. In the case of corporations or partnerships, such financial assistance shall be extended only when a majority interest in such corporations or partnerships is held by stockholders or partners who themselves are primarily and directly engaged in such agricultural production."

Mr. MAYNE. Mr. Chairman, the purpose of this amendment is to tighten up the language of the committee bill to make sure that these loan guarantees will be available only to actual bona fide farmers and ranchers.

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

Mr. MAYNE. I yield to the distinguished chairman of the committee.

Mr. POAGE. Mr. Chairman, by direction of the committee this morning, I want to accept this amendment which has been suggested. As far as I am concerned and as far as the members of the committee who met this morning are concerned, we will be glad to accept this amendment.

Mr. MAYNE. Mr. Chairman, I thank the distinguished chairman for that statement. I would like to say just a few words in explanation of it so that Members on the floor will be aware of the amendment's provisions.

There is some danger that as presently written, the bill could allow absentee business or professional men with money invested in livestock operations to qualify for loan guarantees as producers directly engaged in agricultural production. There is some danger that loan guarantees would be extended to outside investors in tax shelter operations. Certainly, it is not my intention that this legislation help people who are using livestock feeding only as an outlet for investment of already sizable outside incomes or for tax loss shelter purposes. These loans should be directed instead to people whose livelihoods are principally derived from livestock raising and feeding; the typical family farming livestock operation.

Viable groups of small- and medium-sized family producers have always proven to be the healthiest type of industry in our free enterprise system. My purpose in supporting this legislation, and particularly this amendment, is to keep the family farm as a strong, competitive element in our livestock industry.

With the passage of this amendment, I feel major objections to the bill will be

laid to rest. I am happy to say that in talking with the distinguished Secretary of Agriculture this morning, he assured me that if this amendment passes, together with another amendment I will offer reducing the individual guarantee from \$350,000 to \$250,000, he will not recommend a veto of this bill. I urge adoption of this Mayne amendment.

Mr. WAMPLER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Iowa (Mr. MAYNE).

During the course of its deliberations on H.R. 15560, the committee adopted several amendments which tightened the legislation down and provided more protection to the taxpayer. For example, the amount of the Federal guarantee was set at 80 percent rather than 90 percent. The total line of credit was reduced from \$3 to \$2 billion. The Secretary was given both authority and direction to pass on each guaranteed loan to make sure the interest of the Government is fully protected and that the objectives of the bill are met. Finally, adequate security was required on each loan.

On one item, however, the committee bill broadened the version that 21 of us who serve as members of the committee introduced. That was in regard to the scope of the eligibility of borrowers. The original bill was designed to help "bona fide farmers and ranchers primarily engaged in" producing livestock. The committee bill now would help "any person directly and in good faith" engaged in producing livestock.

This, I feel, is too broad.

The bill should, in my opinion, be aimed at helping family farm operations and not nonfarm investors or corporations whose primary financial interest lies elsewhere.

The amendment of the gentleman would embrace most of the original language of this bill, plus placing a valid restraint on corporate eligibility.

It will go a long way toward making this bill acceptable to the President, as the Secretary of Agriculture has indicated that he would not oppose the enactment of this legislation if the gentleman from Iowa's amendment were adopted.

For these reasons, Mr. Chairman, I strongly urge the adoption of the amendment.

Mr. PRICE of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee, after 1 week of hearings and after 2 additional days of hearings and a day of markup in the Subcommittee on Livestock and Feed Grain, approved the language that is presently in the bill, section 2, which reads:

The Secretary of Agriculture is authorized and directed to establish a guaranteed loan program for eligible persons including operators of feedlots, who are directly and in good faith engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle—

And so forth.

Mr. Chairman, I can sympathize with the author of this amendment, the gentleman from Iowa (Mr. MAYNE), and it probably fits his area of the country. But

he, too, has feedlot operators in his part of the country that feed 40 percent of the cattle that are fed in the United States.

In my own district we feed, as I said before, over 5 million head of cattle, and the people who operate these feedlots are people who feed 100, 200, or 300 head of cattle.

If this language is adopted, it is going to take away from those who have invested millions of dollars in feedlot operations. It is going to knock them completely out of their customers who are concentrating these cattle and trying to provide that beef to the American consumer at the best price possible, because a feedlot operator can buy feed in volume. He can bring all of these cattle together with his feed mill equipment and machinery and he can feed those cattle much cheaper and provide the consumer a product much cheaper than if he strictly relies on the person who owns his own farm and farms corn and other things of that nature. To limit this just to what is considered the family-type farm simply will not meet the needs of the American consumers in this country.

This morning as a member of the committee who was in the committee and stepped out for a phone call, and this was brought up before the committee, with about 10 members there. There was no objection heard to that amendment, and therefore it was said that the consensus of the committee was for this amendment.

That is not so at all, Mr. Chairman, I urge the defeat of this amendment.

Mr. ZWACH. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the amendment.

Mr. Chairman, while I believe this is basically a good bill, it is defective in one respect. It needs the Mayne amendment.

In the Livestock and Grains Subcommittee which developed this legislation, we had a debate as to the scope of the bill's coverage. The way it came out of the subcommittee, the bill extends guaranteed loan benefits to any "person directly and in good faith" engaged in livestock production.

I feel this language is much too broad. Since the term "person" includes corporate entities, the bill could bring credit benefits to companies that are not primarily engaged in livestock production. For example, a packer-feeder could qualify for a guaranteed loan under this bill. This is true because such a packer is directly engaged in livestock production even though that company is primarily engaged in the processing and marketing of meat.

Another credit beneficiary of the bill as written could be a Chicago dentist who has invested in a custom feedlot. Again such a person would be directly engaged in the production of livestock, and if he met the other requirements of the bill, could qualify for a \$350,000 guaranteed loan.

Now, Mr. Chairman, I have nothing against packer-feeders or Chicago dentists, but I believe this legislation should be concentrated on bona fide farmers and ranchers. These are the people who

need the credit help and these are the people who are the real producers of livestock in this country.

The Mayne amendment to this bill will narrow the scope of borrower eligibility to encompass bona fide farmers and ranchers who are primarily and directly engaged in producing livestock.

With this change, I believe H.R. 15560 will be a better bill and one which the House should support if we are going to help many livestock producers of this Nation to stay in the business of creating those commodities which our consumers need and enjoy.

Mr. BROWN of California. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have had rather severe doubts about the necessity of this particular piece of legislation. I was one of the two members of the committee, along with the gentleman from New York (Mr. PEYSER), who voted against reporting the bill out.

My concern has not been out of any lack of recognition of the problem facing the beef industry. I am well aware that they are in some financial difficulty. However, as is typical of the efforts of this House or of the Congress when confronted with what purports to be a crisis, we are all likely to seek to legislate in a way which we hope will solve that crisis, but actually in a way which will set far-reaching precedents which may do damage to our cause in the future.

I felt that this particular piece of legislation might set that kind of damaging precedent.

I am not averse to assisting a sector of our economy which is confronted with serious difficulties, through what may be no particular fault of their own, and I recognize that an argument can be made that this is the condition of the beef industry today.

However, I have had a vast amount of correspondence and communication opposing this bill, on the basis of the precedent that it sets and the fact that it is not or may not be in the best interests of the American consumer.

I say this, particularly in view of the fact that it may provide assistance to some enterprises or some individuals who are not bona fide farmers. It is rather interesting that one of the few personal calls I have had in support of this bill came from a dear friend of mine who is an eminent member of one of the learned professions in my district. He is taking a bath on his investments in cattle. He is probably one of those persons who does not know one end of a cow from the other, but apparently had a little extra cash to put into the beef business.

Mr. Chairman, I am not at all sure that we should pass legislation in order to assist this particular kind of investor. Although we may recognize that there may be some sort of a role for those investors, obviously that role is a speculative one, and it is a role in which they either make big profits or take big losses. If they are going to make the big profits, it seems to me they should be prepared to sustain the big losses.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Texas.

Mr. PRICE of Texas. Mr. Chairman, I will point out to the gentleman that the language in this bill prevents any such person the gentleman is speaking of from even qualifying under this bill for any of these funds.

Mr. BROWN of California. Mr. Chairman, I wish I had the same assurance the gentleman does that that will be the case.

I am relatively sure that, with the amendment offered by the gentleman from Iowa (Mr. MAYNE), such will be the case. Of course, that is the reason why I have risen in support of that particular amendment. Without that amendment and without the additional amendment which the gentleman proposes to offer, I will have a great deal of difficulty in supporting this legislation.

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

Mr. Chairman, I will not take up the time I had originally planned to use in reading a long harangue against yet another business-government welfare program.

However, I will suggest to the Members that it would be a travesty if we were to pass H.R. 15560 and guarantee loans to cattle producers. In the guise of providing a temporary solution to stabilize the beef market, we are instead socking the consumer with yet another misguided and ineffective expense. Instead of propping up the current situation, which features high prices and low consumption, I think the Federal Government should get out of the farm subsidy business, and this bill is a good place to start.

To some degree the current situation is a legacy of the freeze on beef prices last summer. With the price frozen, the usual signals of supply and demand were clouded. Consequently, prices immediately skyrocketed when controls were lifted, and consumers stopped buying beef at astronomic prices. Starting last fall, prices declined 35 percent, and the industry has lost over \$1 billion since then. Unfortunately, the consumer saw nothing near this 35-percent drop in prices when he went into the supermarket, for the simple reason that beef producers stockpiled beef to keep prices high. But consumers refuse to stand for such shoddy treatment and refuse to buy beef. So now the cattlemen have come to Congress to ask that we bail them out to the tune of \$2 billion in loan guarantees.

In part, the cattlemen's argument to Congress and the administration is "It is all your fault since you froze beef prices; now you have got to save us." Quite frankly, this does not make any sense to me and it is the worst form of passing the buck. A large part of the responsibility for the industry's financial condition derives from the fact that when beef was kept off the market, the anticipated gains due to higher prices never materialized. Thus the industry was caught with having made an extremely bad guess.

Furthermore, with production devices under the current system being costly, prices would have gone up and consumer

demand dropped, with or without a freeze in prices. The beef freeze cannot be made the scapegoat for the simple fact that people will not buy beef at high prices. If cattlemen want to stimulate the industry, the way to do it is by reducing the profit margin, taking more beef out of the stockpile and putting it on the shelf at lower cost, and letting consumer demand rise through normal market prices. Providing loan guarantees only locked the consumer into the current system and makes him pay twice—once at the checkout counter and once through their back pocket in taxes. And even with all this financial support, will he find meat less expensive? I doubt it. If we think consumer outrage is high now, imagine what it will be if this legislation goes through.

Some may say that this argument is misleading, that we are not giving loans but only guaranteeing them. I think this is misleading. In the first place, if cattle producers cannot obtain loans now, the banks must have some good reason for denying them. But how can the fact of a Government guarantee increase the ability of the producer to pay his current loans, especially if they are renegotiated at today's exorbitant interest rates? Even if he can get new loans, again at high interest rates, will this mean prices will come down? Furthermore, who is to say that the cattle producers will not have to come back next year for more money?

In light of these considerations, can anyone really say that the consumer will benefit from this legislation? A more realistic solution than Government interference is reliance on the law of supply and demand, that is, improve production techniques and put more beef on the market. None of the provisions of H.R. 15560 would encourage cattle producers to this and, if they persist in current techniques and lapse into indebtedness, "loan guarantees" can turn into subsidies very quickly. And when one considers that there is no maximum interest rate above which the Government will not guarantee loan repayment, I shudder to think what the total pricetag for this subsidy could eventually total.

These are only a few of the problems with this legislation, which I understand spent only 20 minutes before the full Agriculture Committee, and I think the potential for unexpected costs to the consumer does not end here. For example, H.R. 15560 limits loan guarantees to \$2 billion but S. 3679, the Senate version, has no such upper limit. If the ceiling is knocked out in conference, we will have another endless, no-limit bill, with the Government going further toward destroying the free enterprise system, toward burdening the taxpayer, and at enormous cost to the consumer.

Another hidden cost comes in the language of the bill itself. As H.R. 15560 defines "livestock," we are not only bailing out beef producers. We are also bailing out producers of dairy cattle, goats, swine, turkeys, and chickens as well. Rather than being a stop-gap measure, I fear this legislation could turn into the down payment for a whole new series of subsidy programs which the American consumer neither needs nor can afford.

Once again, Mr. Chairman, the solution



is so clear that we seem to have missed it: Rely on the law of supply and demand and get the Federal Government out of the agriculture subsidy business. This is the only way the consumer can benefit. Consumer outrage over higher beef prices and their refusal to buy until prices came down should have signaled the industry to put more beef on the market at lower prices. Instead, the industry stockpiled it. And now we have word that the price of beef is once again rising on the Omaha market.

If we pass this bill today, in an atmosphere of crisis, we are signaling every industry to act in such a fashion and to keep their prices up, knowing that Uncle Sam will step in and rescue them if things get rough. Many years ago I bought a business that was in bankruptcy. I thought I could do it better. I took it into bankruptcy also. I learned the sad lesson that it was the wrong venture at the wrong time. I did not know at that stage in my life that I could come to the U.S. Congress and ask for a loan which would keep me in business.

By passing this legislation our action will become the pattern for the future, one more precedent for the Government guaranteeing that every single facet of the free enterprise system will be underwritten. I would suggest that the American people are sick to death of paying the prices at both ends and it is vital that we hold the line here. I urge my colleagues to vote no on H.R. 15560.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, I simply want to make the record straight, because somehow or other I cannot feel very good when somebody reflects on the Committee on Agriculture, a committee which I think has been doing a great job.

I know that there has been a statement made indicating a lack of effort on the part of that committee. I recognize that the gentleman who just addressed the House, the gentleman from Connecticut (Mr. McKINNEY), quoted from that statement. I am sure that whoever made that statement could not have been attending the meetings of our committee. That statement indicated that the committee devoted only 20 minutes to this legislation.

I can only assume that if this statement was made by a member of our committee that the author of that statement was only present 20 minutes, and he refers to the time that he knows that was devoted to it, and to nothing else.

As a matter of fact, the full committee held 3 days of hearings, and the days were on June 18, 19, and 20. The subcommittee held 2 full days of hearings. The days were June 25 and June 26. The subcommittee met on June 26 and after a 5-hour markup session, reported this bill. The full committee acted the next day, June 27, and reported the subcommittee bill out by a vote of 28 to one, with one member voting "present."

The Committee on Agriculture does not bring a bill of this kind out in 20 minutes. I think we have got a smart group of men on the committee, but they

are not smart enough to write this kind of a bill in 20 minutes, and they did not do it.

I just want the House to understand that instead of 20 minutes this committee has put in a whole lot more than 20 hours on this bill, and has given it—I will not say full consideration, because we could consider it for 20 days and still it would not be full consideration—but we have given it very substantial consideration. Every Member who was present, who attended the meetings of the committee, had the opportunity to hear all of the witnesses. There were 50 witnesses appearing, including the Speaker of this House and the minority leader of the House. They appeared as witnesses on behalf of this bill.

I believe that if we would get our information from the record rather than simply look to the amount of time that certain Members had been present in the committee, we might have a better understanding of what the committee has been doing.

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is about time that someone put this in proper perspective. Actually what has happened? Last year the Government, for some reason—in response to appeals by many Members of Congress on both sides of the aisle but initiated by the administration—imposed price controls on an industry, price controls on the food industry. By doing so they jeopardized the normal operation of the free market. The farmers did not ask for price controls. The feeders did not ask for price controls. It was imposed on them, and because of this and because of the aberrations that were brought about in an otherwise normal marketing situation, many livestock producers lost from \$90 to \$150 per head. I am not worrying about the big corporate feedlots. By the Mayne amendment that I hope will be accepted they are going to be excluded. They are excluded anyway by the \$350,000 limitation.

But, the average-sized farm feeder who keeps up to 800 head of cattle is the one who is in jeopardy. He has borrowed from his small local bank to buy those feeder cattle. He has taken them to market in the last month or 2 or 3, and he has suffered his loss of \$50,000 to as high as \$100,000. He cannot afford that loss. His average income is probably only \$8,000 or \$10,000 a year, and he does not have the equity to go to his local bank and say, "Loan me the money to put back into my feedlot—my pens around my barn, the 400 head or 500 head I would like to feed this fall as I have in the past." The bank cannot legally loan him the money because his equity was wiped out in the loss he suffered last year.

There is no gimmickry in here where new people can come into the business. This legislation is limited to a person who has been feeding for the last 18 months. There is no interest subsidy involved. It is exactly the same as an SBA loan to a small business in any other walk of life. The consumers' interest can only be protected and enhanced by the

passage of this legislation, because if it does not pass, the countless small feeders are not going to be able to continue feeding, and they are going to shut their gates, so to speak, and the supply of meat that the consumer depends on is going to be totally controlled by the mammoth corporate feedlot operations. I do not think we want to see that happen.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Texas.

Mr. PRICE of Texas. I thank the gentleman for yielding.

The gentleman used the words "large corporate feedlot." I think that gives this body an erroneous picture.

In my district there are about 150 feedlots or more feeding from 40,000 to 100,000 head of cattle. These people are the farmers the gentleman is talking about who have their 100 head, who do not have pen facilities on their farms, who do not have the silos, who do not have the equipment, and they put those cattle into feedlots because they can feed them cheaper. The gentleman is saying he wants to take that man, the small producer, out of this bill, and that is exactly what it will do if we do this.

Mr. ANDREWS of North Dakota. I am not wanting to take the small producer out of this bill. I am saying that this protection goes to the small producer. There are also corporate feeding operations in these large feedlots—and I think this is where the objection comes from on both sides—who own and control 10,000 or 15,000 or 20,000 head of cattle. I have no sympathy for them, and this bill does not include them. But the small farmer-feeder, in the case of the cow operator who has some calves that he places in a custom feedlot operation is protected under the bill, and ought to be.

The case that is more common in our part of the country is the small feeder who has his pens in his own farm yard, who feeds his own silage and produces beef for the consumer year-in and year-out, which is his normal business operation.

This man is the one who needs the protection, the one who will get the protection. It is going to be a tragic thing and a shortfall for the consuming public if through the political haranguing that has been going on for far too long we cut off the opportunity for this small producer to stay in business and provide Americans the best quality and most economical beef in the world.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Chairman, I thank the gentleman from North Dakota for yielding.

Mr. Chairman, I rise in support of H.R. 15560 and for the principles embodied in this legislation. It provides much needed relief to the stricken small-scale cattle operator of my State who is suffering from the ever-tightening squeeze of soaring production costs and dropping beef market prices.

In recent months many Wyoming cattlemen have called to my attention the drastic losses they have sustained and

continue to face in current market and economic conditions.

As of June 1974, wholesale prices for choice feeder cattle, 600 to 700 pounds and for choice feeder steer calves have both dropped 36 percent, in the last year. In the same time period, feed costs have risen 60 percent. It takes no economical whiz to see the kind of financial bind our ranchers, feeders, and beef producers have found themselves. Beef producers

have figured their loss to be from \$100 to \$200 per head sold at the present market price.

I do not need to remind the Members of this body of the wheat sales leading to an abrupt end to any stability on the domestic prices of grains. Not only did wheat prices skyrocket, but they were followed closely by unparalleled price increases in soybeans and other feeds and protein sources. Wheat jumped 300 per-

cent and corn peaked 150 percent higher than the previous year. Hay prices have reached all-time highs in the West. The feeder, feeding out steers for slaughter at market weight, is not receiving enough margin to even cover the rise in his feed costs. The feeder and the cattlemen are both moving in the direction of bankruptcy. The following tables released by the USDA clearly demonstrate the plight of the bean industry:

TABLE 12—CORN BELT CATTLE FEEDING  
SELECTED EXPENSES AT CURRENT RATES<sup>1</sup>

(Dollars per head)

Selected expenses	1972				1973				1974
	I	II	III	IV	I	II	III	IV	I
600 lb feeder steer	230.82	241.80	254.76	266.16	304.62	322.44	347.88	301.20	292.38
Transportation to feedlot (200 mi)	3.84	4.08	4.08	4.32	4.32	4.56	4.56	4.80	4.80
Corn (25 bu)	28.15	50.40	52.20	55.80	60.75	76.05	104.85	100.80	121.05
Silage (1.7 tons)	15.56	15.71	15.79	16.90	18.70	21.39	26.59	26.23	32.33
30% protein supplement (270 lb)	14.90	15.26	15.74	17.50	21.11	24.25	24.65	23.63	24.08
Hay (400 lb)	4.60	4.42	4.23	4.53	5.15	5.00	4.83	5.13	6.75
Labor (4 hr)	7.80	7.80	8.04	8.04	8.12	8.44	8.72	8.84	9.04
Management <sup>2</sup>	3.90	3.90	4.02	4.02	4.06	4.22	4.36	4.42	4.52
Vet medicine <sup>3</sup>	2.00	2.03	2.05	2.10	2.20	2.41	2.41	2.46	2.58
Interest on purchase (6 mo)	8.94	9.37	9.87	10.31	12.95	13.70	14.78	13.86	13.89
Power, equipment, fuel, shelter, depreciation <sup>4</sup>	9.25	9.40	9.51	9.73	10.19	10.72	11.15	11.37	11.92
Death loss (1% of purchase)	2.31	2.42	2.55	2.66	3.05	3.22	3.48	3.01	2.92
Transportation and marketing expenses (100 mi)	4.78	4.89	4.92	5.04	5.09	5.20	5.25	5.35	5.40
Miscellaneous and indirect costs <sup>5</sup>	4.00	4.07	4.12	4.21	4.41	4.64	4.83	4.92	5.16
Total	360.85	375.55	391.90	411.32	464.72	506.15	568.34	516.02	536.82
Selling price per hundredweight required to cover feed and feeder costs (1,050 lbs)	29.91	31.20	32.64	34.37	39.08	42.77	48.46	43.52	45.39
Selling price per hundredweight required to cover all costs (1,050 lb)	32.37	35.77	37.32	39.17	44.26	48.20	54.13	49.14	51.13
Feed cost per 100 lb gain	18.49	19.06	19.55	21.05	23.49	28.15	35.76	34.62	20.92
Prices:									
Feeder steer choice (600-700) Kansas City (per hundredweight)	38.47	40.30	42.26	44.36	50.77	53.74	57.98	50.20	48.73
Corn (per bushel) <sup>6</sup>	1.07	1.12	1.16	1.24	1.35	1.69	2.33	2.24	2.69
Hay (per ton) <sup>6</sup>	23.00	22.08	21.17	22.67	25.75	25.00	24.17	25.67	33.75
Corn silage (per ton) <sup>6</sup>	9.15	9.24	9.29	9.94	11.00	12.58	15.64	15.43	19.02
30 percent, protein supplement (per hundred weight) <sup>6</sup>	5.52	5.65	5.83	6.48	7.82	8.98	9.13	8.75	8.92
Farm labor (per hour) <sup>6</sup>	1.95	1.95	2.01	2.03	2.03	2.11	2.18	2.21	2.26
Interest annual rate	7.75	7.75	7.75	7.75	8.50	8.50	8.50	9.20	9.50
Transportation rate (per hundredweight 100 mi) <sup>7</sup>	.16	.17	.17	.18	.18	.19	.19	.20	.20
Marketing expenses <sup>8</sup>	3.10	3.10	3.15	3.15	3.20	3.20	3.25	3.25	3.30
Index of prices paid by farmers (1910-14=100)	(422)	(429)	(434)	(444)	(465)	(489)	(509)	(519)	(544)

<sup>1</sup> Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level and locality of operation.

<sup>2</sup> Assumes one hour at twice the labor rate.

<sup>3</sup> Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates.

<sup>4</sup> Average price received by farmers in Iowa and Illinois.

<sup>5</sup> Corn silage price derived from an equivalent price of 5 bu corn and 330 lb. hay.

<sup>6</sup> Average price paid by farmers in Iowa and Illinois.

<sup>7</sup> Converted from cents/mile for a 44,000 lb haul.

<sup>8</sup> Yardage plus commission fees at a midwest terminal market.

CURRENT FED CATTLE PRICES PER 100 LBS., COMPARED  
WITH FEEDER CATTLE PRICES 5 MONTHS EARLIER

Year	Fed cattle <sup>1</sup>	Feeder cattle <sup>2</sup>	Margins
1972:			
January	\$35.63	\$35.18	+\$0.45
February	36.32	34.97	+1.35
March	35.17	35.64	-.47
April	34.52	36.88	-2.36
May	35.70	37.20	-1.50
June	37.91	37.92	-.01
July	38.38	38.86	-.48
August	35.70	38.64	-2.94
September	34.69	38.54	-3.85
October	34.92	40.43	-5.51
November	33.59	41.94	-8.35
December	36.85	42.02	-5.17
1973:			
January	40.65	42.07	-1.42
February	43.54	43.29	+.25
March	45.65	44.15	+1.50
April	45.03	43.17	+1.86
May	45.74	45.77	-.03
June	46.76	47.33	-.57
July	47.66	50.98	-3.32
August	52.94	54.01	-1.07
September	45.12	51.82	-6.70
October	41.92	54.55	-12.63
November	40.14	54.85	-14.71
December	39.36	56.49	-17.13

Year	Fed cattle <sup>1</sup>	Feeder cattle <sup>2</sup>	Margins
1974:			
January	47.14	62.40	-15.26
February	46.38	55.06	-8.68
March	42.85	51.86	-9.01
April	41.54	51.02	-9.48

<sup>1</sup> Choice steers at Omaha, 900-1,100 lbs.

<sup>2</sup> Choice steers at Kansas City, 600-700 lbs. prior to 1972 550 to 750 lbs.

The beef producer and rancher is not alone in suffering from the cost squeeze. The smalltown banker and financier is suffering as well as their clients find it impossible to repay operating loans.

This legislation would provide adequate source of funds through low-cost loans to help our beef producers through this difficult financial period. Similar legislation has provided for extremely successful loan programs in the early 1950's.

Critics of this legislation say that it is anticonsumer and that it will cause

higher beef prices and benefit more than just the beef producer. Let me say to that that the middleman is largely responsible for today's higher beef prices at the meat market. The beef producer is suffering from such a financial squeeze that the consumer may not have beef at any price if we do not take action. Furthermore, the beef industry is a highly inter-related industry. Our small feeders, ranchers, and beef producers operate from year to year depending on their local small banks and lending institutions for operating loans and in turn these banks depend upon them. Whole communities are therefore dependent upon the well-being of the rancher and beef producer for their well-being.

If we desire to see a supply of beef and red meat in the supermarket, if we wish to see a viable beef industry in America, then we must support this loan legislation today.



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

Mr. Chairman, I support the Mayne amendment and I support the bill.

I would ask the author of the amendment, the gentleman from Iowa (Mr. MAYNE), his reasons for changing "establishing a guaranteed loan program" to provide for "establishing financial assistance" because there is not very much that the Federal Government is going to provide to the farmer other than a guarantee to insure that he is going to secure a loan.

The history, as I recall it, is very good in guaranteeing loans to farmers and their repayment is good. I was wondering if the gentleman has some information to indicate the repayment rate we have seen on similar type loans.

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

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

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

I think the only actual experience we have to look back on is Public Law 83-115, which was in effect for 2 years subsequent to July 14, 1955. That bill provided for actual direct loans called special livestock loans. Government funds were used in these loans rather than it being a simple guarantee program, so that the 1954 legislation was much more costly. But even so, the losses under that earlier 3-year program were only 3½ percent. The total losses were only a little more than \$3 million on loans of more than \$91 million.

Under the instant bill and with my amendment where the banks are assuming 20 percent of the guarantee, of the exposure, and where Federal funds are not directly involved, the cost should be much less than in the 1955 to 1957 experience.

Mr. QUIE. I thank the gentleman for that explanation. It seems to me in the short run we will be giving assistance to the livestock producers and in the long run we will be aiding the consumers. It seems to me that ought to be apparent to the Members of this body. There is a precedent, as the gentleman from Iowa has indicated and as the gentleman from Virginia (Mr. WAMPLER) did a little earlier, for this kind of legislation.

It seems to me the Committee on Agriculture has done well. They have learned some lessons from the past and they have removed some of the chances of losses for the Federal Government, as has the gentleman, but they have as in the past limited the bill to the producers who should be able to secure loans so they can keep on producing meat products, and in the long run this will enable the consumers to buy their food at lower prices, because if a number of producers got out of business and quit producing meat it means the price of meat will have to shoot up higher for the consumer than would be the case with the passage of this bill.

I can understand why a few farmers who have got it made do not need the loan and do not think this is wise for the

Federal Government to assist others at all because they will be able to reap those higher prices due to shortages at some later time, but if we want to have the stable food production in this country at a time when there are serious problems throughout the world, it seems to me this legislation ought to be passed and it is just good economic sense. And when the Federal Government has been the cause of the economic difficulties our farmers are in, there is no reason why the Federal Government should not help assist in this way, so I urge the Members to support this legislation not only for the farmers but also for the consumers of the Nation.

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

Mr. Chairman, I rise in opposition to the \$2 billion Government guaranteed livestock loan program proposed here today. It is painful for me to do so because I am well aware of the problems facing the livestock industry. Beef cattle producers are in serious financial trouble because the price of beef on the hoof has dropped 35 percent while costs of production spiral upward. Nevertheless, I must oppose this bill for three reasons:

First, because Government secured loans at the current astronomical interest rates of 12 percent will not solve the basic problem of rising costs and reduced demand. In fact, in the livestock industry 12 percent interest rates will hurt farmers and help big bankers.

Second, if I believe in the free enterprise system and oppose subsidies to other private industries, I cannot in good conscience support Government subsidies to the cattle industry, even though it is very close to my heart.

And third, because I believe Government spending must be cut, even if it hurts, for if we do not reduce Government spending—inflation is going to destroy our country.

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

Mr. Chairman, I have listened with great interest to the arguments of the proponents of this legislation. Certainly they have put a great amount of work into their views; but in my district, every person to whom I have spoken, every constituent who has written to me, everyone who has expressed an opinion on this bill, have been opposed to it and have, in fact, labeled it the great "beefdoggle."

Last year, when we had very high meat prices, there was a move on the part of some Members of this body to freeze beef prices and even to roll the prices back. At that time, those Members of this body who now are calling for passage of the bill before us today extolled the virtues of the free enterprise system and urged us to allow the marketplace to set a fair price. Since then prices have fallen from their record high levels. The erstwhile free market champions are coming to the American taxpayer, hat in hand, asking for a \$2 billion relief bill. In fact, I am tempted to propose striking the title of the bill and

adding a new title, "the Cattlemen's Bankers Relief Act of 1974."

I strongly believe that if we are going to end the soaring rate of inflation that we must do it through tight Federal restraint and greater productivity in the marketplace. This bill is counterproductive to both these ends.

The fact of the matter is that the meat industry pushed the price of beef so high that consumer reaction caused a dramatic significant shift in the eating habits of the American consumer. There is no doubt in my mind that the marketplace pressure will work well in this field. If prices are allowed to decline, volume will significantly increase. As I have stated, increased productivity is one answer to the inflation problems we have before us today.

Mr. Chairman, I am also very concerned about the precedent that we are setting through the passage of this bill.

Secretary of the Treasury William Simon, who is a former constituent of mine, pointed out that if the bill passes, some of his friends from Wall Street might come down for guaranteed loans to assist them in their financial difficulties caused by decreased volume on the stock exchange.

My colleague from New York has pointed out that the crisis that did exist is now over and indeed prices for cattle are already increasing. We simply do not need this bill.

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

Mr. RINALDO. I yield to my colleague, the gentleman from New Jersey.

Mr. MINISH. I want to associate my remarks with those of the gentleman from New Jersey. I want to say that this bill in no way is going to help the consumer. We should not be trying to kid him. If these loans are made it puts the consumer in the position of financing with his tax dollars an increase on his own beef purchases.

Now, everyone here knows that, these are the same people, the livestock producers, who you are trying to protect. It was only last year they were asking us not to support price controls and to stay out of their business and let the free market work its will. Ten or twelve months later they are asking for relief. This is bad legislation and should be defeated.

Mr. RINALDO. Mr. Chairman, finally, in stating my opposition to the legislation, I feel that it was wrong for the committee to have held only 20 minutes of debate on this bill. Today, when public skepticism is running so high, ramming a special interest bill like this through Congress would hurt all Members of this body.

Mr. Chairman, members of the Committee, in this day of high inflation; in this day when farm subsidies and all subsidies of this type should come to an end instead of being continued; in this day when we should, at the very least, refuse to set forth before the American public a new subsidy program, I think it is very important that we show the people of this country that we are concerned

about high prices, that we are concerned about inflation, that we are in favor of the marketplace setting its own prices, and that we will not set such a dangerous precedent.

Mr. Chairman, I urge defeat of this bill.

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

Mr. Chairman, I rise in opposition to this bill. Once again we are faced with a bill which is a reaction to a specific situation and which is designed to benefit a certain sector of the population, and as usual, the needs and interests of the largest sector of the population—the consumers—are being ignored.

The intentions of this bill are good, and I have no doubt that the livestock industry has been having some troubles lately, although I do question whether sheep, goats, and other types of livestock included in the bill are as severely affected as the cattle industry. Nevertheless, it is clear this bill does nothing to get at the real problems affecting the meat market today.

To my mind the problem is very simply continued high retail prices despite falling prices at the farm and feedlot. Consumer demand for beef was depressed last year due to the exceptionally high prices, some say induced by cattlemen who held beef off the market hoping to raise prices further, and that demand has yet to recover fully.

The problem, however, is not at the farm level but at the processing and retail level where margins are staying fat. This is particularly true in the Washington area where four food chains control over 70 percent of the food sales. The Federal Trade Commission has identified such control as an oligopoly; such a market concentration works to keep prices high and prevent consumers from having any real alternatives in choosing where to buy food. The solution in Washington, as well as elsewhere, is the restoration of real competition at the retail and processing levels.

Perhaps the major problem of the industry is that consumers are unwilling to purchase as much meat at the current high prices. There will be no long-term relief for producers until consumption is stimulated with lower prices. One of the major inadequacies of this bill is easy enough to describe. You can give a race horse the best training and care money can buy, but he is still not going to win if his gate will not open.

While we pump money into protecting livestock production and the investments of the banks, consumers foot the bill for defaulted loans and for high prices. It does not seem fair, and it is not.

There is already some indication that the crisis in the livestock industry is passing. On the beef market, prices were up to \$46 per hundredweight last week, and the expected good grain harvest would mean lower costs. We do not need the bill and certainly, consumers neither need nor want it.

I would like to read a few of the reactions that consumer groups have had to this bill. Consumer Action writes:

H.R. 15560 will neither help the farmer nor the consumer and should not be voted into law.

The Corporate Accountability Research Group writes, "There are others who are equally in need of such loan guarantees," such as prospective house purchasers, supermarket shoppers, and even consumer groups, who could well use the money to lobby against legislation such as this.

The Federation of Homemakers writes:

This emergency bailout legislation has the taxpayers furnishing loan guarantees . . . but no promise, let alone a guarantee, that the marketplace prices of beef for consumers will be lower.

A final example of reaction comes from the National Consumers League which writes:

Consumers are opposed to subsidizing the already thriving banking industry, when both the producers and those who pay high prices for beef are in need of meaningful solutions.

Even when prices for beef on the hoof was low, retail prices remained at near record highs. In May, three members of the National Consumers League investigated the meat industries cold storage inventories and found very large amounts of meat being packed away in corporate warehouses. That figure is still high. By storing meat, the corporations can artificially decrease supplies in supermarkets, therefore keeping consumer prices high. Simultaneously, the record inventories decrease industry demand and reduce prices paid to producers.

Mrs. HECKLER of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. GUDE. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from Maryland and the remarks of the gentleman from New York (Mr. PEYSER).

Mr. Chairman, I rise in opposition to H.R. 15560, a bill which would subsidize the American cattle industry at the expense of the American taxpayer and consumer.

It is the banker, not the cattleman, who will be the main beneficiary from this proposal. And once again, we move another step away from the free enterprise system about which we preach much and practice little.

If we continue this precedent, where will it end? The New England fishermen, for example, are being hurt badly as their catches are being hauled away in Russian trawlers. Why not assist them?

\* \* \* And why stop there? I am sure that every Member of this Congress has within his or her district an industry which merits subsidy as much as the cattle industry.

Again, we are being asked to apply a bandaid to a patient who is bleeding to death. Inflation runs rampant. Fuel costs soar. The cost of food climbs out of sight—and we continue to attempt piecemeal solutions to a complex and pervasive national problem.

We do not need to help one industry—we need to help all industry. We need to

develop a healthy economy for all regions this cannot be achieved by subsidizing one industry over another. We need to help the American taxpayer, whose taxes keep rising and rising. We need to help the American consumer, whose bills keep climbing and climbing.

The small producer will not be helped by this legislation. The 20 percent risk which would be accepted by the banks is very little risk at all as 8 percent loans are refinanced at 11½ and 12 percent with the American taxpayer underwriting the loan and guaranteeing the bankers a tidy profit.

When beef prices rose to an all-time high last summer, the Government did not rush to the consumers' aid. Now, when the prices dip, the livestock industry is not passing on the savings to the consumers. Instead, the Department of Agriculture steps in to force the prices back up and producers stockpile their beef until they get the higher rates.

Now the Congress is being asked to support higher prices at the consumer and taxpayer expense—and give the banks a bonanza as well.

If the marketplace were allowed to reach its natural level, the American consumer would benefit, and in the long run, so would the cattle industry.

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

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

Mr. MAYNE. Mr. Chairman, while the gentleman expressed his opposition, I am sure he would also want to express his support for the pending amendment which would make sure that the guaranteed loans go only to bona fide farmers and not to tax shelters and outside investing interests.

Mr. GUDE. Mr. Chairman, I support the amendment, but with the adoption of the amendment I still could not go along with the gentleman on this bill.

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

Mr. Chairman, I know that most of the Members have been waiting to hear what I have to say on this bill before they make up their minds. As a matter of fact, I had made a judgment which they would be proud of, and that was that I was not going to burden them with my own particular prejudices, but I must confess to hearing more garbage in less time in this world in the last few moments than I have for a long time in this august body.

I have no problem with a man who wants to protect the consumer and thus garner the consumer votes. I must tell the Members also that there are more consumers than there are cowboys, and all of the Members have demonstrated their ability to count this particular special interest group by their very presence here.

However, I am reminded of the man who was riding on one of Mr. Chalk's buses locally and tore up a newspaper



and threw it out the window. The bus driver came back and said, "What do you think you are doing?"

The man said, "I'm keeping elephants off Pennsylvania Avenue."

The driver said, "There are no elephants on Pennsylvania Avenue."

And the nut said, "You see, it works."

The fact is that we are not protecting the consumers. The taxpayers are not going to be funding a continued increase in the beef market. The fact of the matter is whether you are a free enterpriser—and I suspect that free enterprise is in the eye of the beholder—but I know I myself would normally be very critical of a bill of this nature; however, since my own constituency and my own personal interests are very much involved, I can see all the merits in this bill. I want the Members to understand that, but I would also like to point out that all we are doing, and this has been said to the point of redundancy here, but if we do pass this bill, we are making it possible to maintain the cattle numbers in this country at a lower level, perhaps, but to maintain the numbers.

If we do not pass the bill, there is going to be less cattle available. If there are less cattle available, it means the price of beef is going to be higher. It is really that simple.

For my good friend, the gentleman from New York, the peanut champion, to be up here railing against the windfall the banks are going to get and all the nonsense about the consumers being bled to satisfy the bloated cowboy, that is sophistry.

If Members are going to vote against the bill because it is good politics, then they should vote against it, but I ask the Members to please not burden the RECORD with what they know is essentially not valid.

The fact is that this bill will in the future and now make more cattle available for slaughter. The more cattle that are available for slaughter, the better break the consumer is going to get. That is an absolute fact of life, and all of the screaming and viewing with alarm is not going to change that.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I am happy to yield to my distinguished colleague, the gentleman from west Texas, the cowman's friend.

Mr. PRICE of Texas. Mr. Chairman, I thank the gentleman for yielding, though I am somewhat doubtful of his description.

In all seriousness, though, I would like to know also the effect that this amendment would have on the feedlots that are involved in the gentleman's area. It, too, is going to have a great effect, not only on the gentleman's State, but in California, and I might say, too, on all those people in Florida, Alabama, Virginia, Kentucky, Louisiana, Arkansas, Montana, and Wyoming, who have farmers and ranchers who have calves and yearlings to sell to the cattle feeder this fall.

Let us see who is going to buy those calves this fall when the 5 percent more

cattle that are going to reach the market are going to be 20 to 30 cents a pound. Who is going to buy them? How is this going to affect the gentleman's State?

Mr. STEIGER of Arizona. Mr. Chairman, I thank the gentleman for calling attention to the fact that I was not addressing the amendment before us. I will tell the gentleman that he is absolutely right. This amendment would eliminate the ability of those people to buy the cattle.

This will eliminate the tax shelter investor. However, I will tell my friend that I am going to support this amendment because, absent this amendment, I do not think this bill has a prayer. I am a pragmatic man, and I feel it is more important that the small feeders and the small producers be protected.

Mr. Chairman, I will tell my friend, the gentleman from Texas, that he is absolutely right. When we eliminate the tax shelter investor, we eliminate about 30 percent of the necessary capital that is available for feeding.

Mr. SCHERLE. Mr. Chairman, I rise in support of the amendment, and I move to strike the requisite number of words.

Mr. Chairman, we the proponents of this legislation get a little tired when we hear this bill referred to as a subsidy or a grant or welfare. If the Members have not read the bill, I suggest they they do so now, because this bill provides a loan, a guaranteed Government loan. It is no different than many other loans which are granted to various projects throughout this country, in time of need, by such Government agencies as SBA, HUD and others.

This loan program will also be governed by the commercial interest rates. There is no low interest rate provided; it will be at the going rate; it will be that rate which will be charged when the borrower comes into the bank for a loan.

Mr. Chairman, the amendment offered by my colleague, the gentleman from Iowa (Mr. MAYNE), is very appropriate. It will allow the purchaser to buy about 750 head of cattle and calves, and this is in no sense legislation to assist what we would call a huge conglomerate or a speculator or a huge investor.

This is directed at what we would consider in the State of Iowa as an average type of feeding operation. We in the State of Iowa raise about 25 percent of all the hogs in the country, and we feed about 11 percent of all the fed cattle.

Another thing which many people fail to realize, Mr. Chairman, is that the producer himself does not establish the price. When he brings his product to market, he is at the mercy of the marketplace; he is at the mercy of the law of supply and demand. Not until that product leaves first hands does the price become established. From that point on, all the way to the consumer, there is a built-in profit provided. But the producer himself does not establish the price. When he takes the product to market, he disposes of it or takes it back home, and that is the only alternative he has.

I would like to point out to my friends who come from urban areas that they

should read a little economic history, and perhaps I can leave them a little message.

If we were to go back through the pages of history, we will find that all the depressions and recessions we have ever had in this country did not begin in urban areas; they started in rural America.

Let me give the Members an example of what can take place. When the livestock industry is crippled in this country to the point where nobody wants to feed cattle any more because it is not profitable, then the grain farmer has no place to go with his grain. When that happens, when both segments of agriculture, the grain farmer and the livestock farmer, reach that point, we can no longer maintain any type of prosperity that will reflect on Main Street. The merchant on Main Street is, of course, then in a predicament. There is no business; he fails to reorder from the manufacturer back East, where those people who live in the urban areas will soon feel the brunt. There are no orders, there is no business, and that is the beginning of unemployment, the beginning of a recession or depression. It is just that simple.

If we were to go back through the pages of history and look, we will find that is exactly what has taken place in every single recession or depression we have ever had in this country. It always starts in rural America.

We would not have found ourselves in this predicament today if it had not been because of Government interference last fall. They singled out the cattle feeding industry and they said, "We are going to use you as an example of high prices so we can make it comfortable for the consumer to buy at a later time."

Mr. Chairman, I have not heard anybody say that houses are too high, that automobiles are too high, or that anything else is too high. It is always food. Sometimes I wonder if food is too high at any price.

Is that because we have to buy food every single day? Is it because it stares us in the face every single day? Is it because it is a product of necessity, a product for survival and existence?

It appears to me that this is a convenient commodity to use for political motivations and headlines; the consumer never benefited by this method of price control, prices remained as high as ever.

Mr. Chairman, the price to the producer today on the Omaha market for live cattle is \$42.50. That is \$10 below the producer's break-even point. For every animal weighing 1,000 pounds that is taken to market today and sold to the packinghouses, it costs that producer \$100.

He cannot survive at length if he does not receive some help at this crucial and critical time. This legislation will help him stay afloat.

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

Mr. SCHERLE. I yield to my colleague, the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I would like to say this, that I have always believed in the partnership between the

urban communities and the farms, and I thought we were doing very, very well until the policies of Secretary of Agriculture Butz divided us. I think that is the crux of the problem. Agriculture last year and the year before sought free market conditions to command high prices, to sell abroad at market conditions resulting from devaluation. Now the beef industry wants public help.

The farmer and the urban consumer have been driven apart through the policies that have emanated out of the administration. These policies have disturbed and perhaps permanently destroyed a long-established working relationship between the urban communities and the rural areas. In my time in the Congress I have voted for billions of dollars in subsidies for the farms, which produced adequate food at moderate prices. The administration promoted foreign sales through subsidized credit—sales which deflated domestic supplies and spiraled domestic prices.

The first inflationary spiral was the result of the food inflation that resulted. The cattle producing industry led the way with skyrocketing meat prices. There was little sense of concern for the consumers of America who had contributed billions of dollars of tax help to develop and increase the farm productivity of the Nation.

The cattlemen simply cannot expect consumer enthusiasm for a loan program in this period of downturn.

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Iowa (Mr. MAYNE) and the following amendment to be offered, for the simple reason that it makes a bad bill a little better, but it does not change the fact that it is still a bad bill.

But on the chance that this bill may not be defeated, I want it to be as good as possible. So I do support the Mayne amendment.

But there is one thing I wish to say—and my good friend, the gentleman from Arizona (Mr. STEIGER) has slipped quietly off the floor, and I will not try to compete with the gentleman in wit because I would lose. He is more witless than I am, and I just cannot compete.

I would like to address one point, and that deals with the bankers. Everyone seems to think that this is not really a bank bill, and that it does not help the banks, and that it is merely for the cattle producer. Well, please listen to what this does for the banks in the bill.

It says that the bank can refinance existing loans and have those existing loans placed under an 80 percent Government guarantee, and they can charge the going rate of interest, whatever is legally allowed in their State, or whatever the going rate of interest may be. For instance, with respect to Oklahoma, I notice that where there may have been loans issued at 8 percent 7 months ago they can bring those loans in and put the same loan out with a Government guarantee at 12.5 percent. Now, if that is not

a great gift for the banks, I do not know what is, having increased interest and having an 80 percent guarantee on the loan.

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

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

Mr. MAYNE. Mr. Chairman, I would like to tell the gentleman from New York that that will not happen because of the usury law in States such as Iowa, Minnesota, and Nebraska, States that I am familiar with. These loans as presently negotiated cannot exceed the maximum of 8 percent in Minnesota, 9 percent in Iowa, and 9 percent in Nebraska. So when these loans are guaranteed they cannot be higher than those rates.

Mr. PEYSER. I thank the gentleman for his comments.

Mr. MAYNE. So this will not be the kind of killing that the gentleman is worried about.

Mr. PEYSER. It is, the gentleman is incorrect. I would like to read from some specific figures on State regulations on interest rates concerning this matter.

In the State of Texas the legal interest rate for an individual is 10 percent. That is the maximum that can be charged. However, the legal rate for a corporation, which is covered by this bill as long as more than 50 percent of their interest is in the cattle business—is that not correct, that they are covered, if they have more than 50 percent of their interest in the cattle business, held by farmers, then they are covered, is that correct?

Mr. MAYNE. Yes.

Mr. PEYSER. That is correct. In the State of Texas the corporation which the gentleman has just described can be charged 18-percent interest. In Oklahoma 18 percent is the limit for the individual, with no limit on the corporation, that can be charged by a bank.

The gentleman mentioned Missouri. Eight percent is the limit, with no limit on the corporation; Colorado, 18 percent on the individual with no limit on the corporation. We can go right down this list, including Nebraska, which has a 9-percent limit but no limit on the corporation.

Most of these small producers have incorporated, and they are completely at the mercy of the banks on this issue.

In the State of Texas 81 percent of the marketed beef comes from incorporated feed lots. Eighty-one percent in the entire State of Texas—if that is not a majority, I do not know what is. These people are going to be had by these banks, and all we are going to do is to take marginal producers and put them deeper in the hole and guarantee their bankruptcy.

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

Mr. PEYSER. I yield to the gentleman from Kansas.

Mr. SEBELIUS. I thank the gentleman for yielding.

I know the gentleman mentioned Kansas. Grant County, Kans., has about 9 or 10 feedlots with about 30,000 cattle, and with only one bank in the county. It is 8 percent. That is what everybody

gets. At 8 percent I borrowed \$10,000 last week, so do not worry about Kansas.

Mr. PEYSER. As the gentleman knows, the Kansas Cattle Growers Association has been coming out in opposition to this legislation, and I have it right here in front of me.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Iowa (Mr. MAYNE).

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

#### RECORDED VOTE

Mr. MAYNE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 405, noes 7, not voting 22, as follows:

[Roll No. 382]

#### AYES—405

Abdnor	Cohen	Gilman
Abzug	Collier	Ginn
Adams	Collins, Ill.	Goldwater
Addabbo	Collins, Tex.	Gonzalez
Alexander	Conable	Goodling
Anderson, Calif.	Conte	Grasso
Anderson, Ill.	Conyers	Gray
Andrews, N. Dak.	Corman	Green, Oreg.
Annunzio	Cotter	Green, Pa.
Archer	Coughlin	Gross
Arends	Crane	Grover
Armstrong	Cronin	Gubser
Ashbrook	Culver	Gude
Ashley	Daniel, Dan	Guyer
Aspin	Daniel, Robert	Haley
Badillo	W., Jr.	Hamilton
Bafalis	Daniels	Hammer-
Barrett	Dominick V.	schmidt
Bauman	Danielson	Hanley
Beard	Davis, S.C.	Hanrahan
Bell	Davis, Wis.	Hansen, Idaho
Bennett	de la Garza	Hansen, Wash.
Bergland	Delaney	Harrington
Bevill	Dellenback	Harsha
Biaggi	Dellums	Hastings
Blester	Denholm	Hawkins
Bingham	Dennis	Hays
Blackburn	Dent	Hébert
Boggs	Derwinski	Hechler, W. Va.
Boland	Devine	Heckler, Mass.
Bolling	Dickinson	Helms
Bowen	Diggs	Helstoski
Brademas	Dingell	Henderson
Bray	Donohue	Hicks
Breaux	Downing	Hillis
Breckinridge	Drinan	Hinshaw
Brinkley	Dulski	Hogan
Brooks	Duncan	Holt
Broomfield	du Pont	Holtzman
Brotzman	Eckhardt	Horton
Brown, Calif.	Edwards, Ala.	Hosmer
Brown, Mich.	Edwards, Calif.	Howard
Brown, Ohio	Ellberg	Huber
Broyhill, N.C.	Erlenborn	Hudnut
Broyhill, Va.	Esch	Hungate
Buchanan	Eshleman	Hunt
Burgener	Evans, Colo.	Hutchinson
Burke, Calif.	Evins, Tenn.	Ichord
Burke, Fla.	Fascell	Jarman
Burke, Mass.	Findley	Johnson, Calif.
Burleson, Tex.	Fish	Johnson, Colo.
Burlison, Mo.	Fisher	Johnson, Pa.
Burton, John	Flood	Jones, Ala.
Burton, Phillip	Flowers	Jones, N.C.
Butler	Flynt	Jones, Okla.
Byron	Foley	Jones, Tenn.
Carney, Ohio	Ford	Jordan
Carter	Forsythe	Karth
Casey, Tex.	Fountain	Kastenmeier
Cederberg	Fraser	Kazen
Chamberlain	Frelinghuysen	Kemp
Chappell	Frenzel	Ketchum
Chisholm	Frey	King
Clancy	Fröehlich	Kluczynski
Clark	Fuqua	Koch
Clawson, Del.	Gaydos	Kuykendall
Cleveland	Gettys	Kyros
Cochran	Gialmo	Lagomarsino
	Gibbons	Landgrebe
		Landrum



Latta	Patman	Stark
Leggett	Patten	Steed
Lehman	Pepper	Steele
Lent	Perkins	Steelman
Litton	Pettis	Steiger, Ariz.
Long, La.	Peyser	Steiger, Wis.
Long, Md.	Pickle	Stephens
Lott	Pike	Stokes
Luken	Poage	Stratton
McClory	Podell	Stubblefield
McCloskey	Powell, Ohio	Stuckey
McCollister	Preyer	Studds
McCormack	Price, Ill.	Sullivan
McDade	Pritchard	Symms
McEwen	Quile	Talcott
McFall	Quillen	Taylor, Mo.
McKay	Rallsback	Taylor, N.C.
McKinney	Randall	Teague
McSpadden	Rangel	Thompson, N.J.
Macdonald	Rarick	Thomson, Wis.
Madden	Rees	Thone
Madigan	Regula	Thornton
Mallary	Reid	Tiernan
Mann	Reuss	Traxler
Maraziti	Rhodes	Treen
Martin, Nebr.	Riegle	Udall
Martin, N.C.	Rinaldo	Ullman
Mathias, Calif.	Roberts	Van Derlin
Mathis, Ga.	Robinson, Va.	Vander Jagt
Matsunaga	Rodino	Vander Veen
Mayne	Roe	Vanik
Mazzoli	Rogers	Veysey
Meeds	Roncallo, Wyo.	Vigorito
Melcher	Roncallo, N.Y.	Waggonner
Mezvinisky	Rooney, Pa.	Waldie
Michel	Rose	Walsh
Milford	Rosenthal	Wampler
Miller	Rostenkowski	Ware
Mills	Roush	Whalen
Minish	Rousselot	White
Mink	Roy	Whitehurst
Minshall, Ohio	Roybal	Whitten
Mitchell, Md.	Ruppe	Widnall
Mitchell, N.Y.	Ruth	Williams
Mizell	Ryan	Wilson, Bob
Moakley	St Germain	Wilson,
Mollohan	Sandman	Charles H.,
Montgomery	Sarasin	Calif.
Moorhead,	Sarbanes	Wilson,
Calif.	Satterfield	Charles, Tex.
Moorhead, Pa.	Scherie	Winn
Morgan	Schneebell	Wolff
Mosher	Sebelius	Wright
Moss	Selberling	Wyatt
Murphy, Ill.	Shipley	Wydler
Murphy, N.Y.	Shoup	Wylie
Murtha	Shriver	Wyman
Natcher	Shuster	Yates
Nedzi	Sikes	Yatron
Neisen	Sisk	Young, Fla.
Nichols	Skubitz	Young, Ga.
Nix	Slack	Young, Ill.
Obey	Smith, Iowa	Young, S.C.
O'Brien	Smith, N.Y.	Young, Tex.
O'Hara	Snyder	Zablocki
O'Neill	Spence	Zion
Owens	Staggers	Zwach
Parris	Stanton,	
Passman	J. William	

## NOES—7

Camp	Price, Tex.	Towell, Nev.
Lujan	Runnels	Wiggins
Mahon		

## NOT VOTING—22

Andrews, N.C.	Conlan	Myers
Baker	Davis, Ga.	Robison, N.Y.
Blatnik	Dorn	Rooney, N.Y.
Brasco	Griffiths	Schroeder
Carey, N.Y.	Gunter	Stanton,
Clausen,	Hanna	James V.
Don H.	Holifield	Symington
Clay	Metcalfe	Young, Alaska

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 3. As a condition of the Secretary's guaranteeing any loan under this Act—

(a) The lender shall certify that—

(1) the lender is unwilling to provide credit to the loan applicant in the absence of the guarantee authorized by this Act;

(2) the loan applicant is directly and in good faith engaged in agricultural production, and the financing to be furnished the loan applicant is to be used for purposes

related to the breeding, raising, fattening, or marketing of livestock;

(3) the loan is for the purpose of maintaining the operations of the loan applicant, and the total loans made to the loan applicant do not exceed the amount necessary to permit the continuation of his livestock operations at a level equal to its highest level during the eighteen months immediately preceding the date of enactment of this Act: *Provided*, That the total loans guaranteed under this Act for any loan applicant shall not exceed \$350,000;

(4) in the case of any loan to refinance the livestock operations of a loan applicant (i) the loan and refinancing are absolutely essential in order for the loan applicant to remain in business, (ii) the lending agency would not refinance such loan in the absence of a guarantee, and (iii) the lending agency is not currently refinancing similar loans to others without such guarantees.

(b) The loan applicant shall certify that he will be unable to obtain financing in the absence of the guarantee authorized by this Act.

(c) The secretary finds there is reasonable probability of accomplishing the objectives of the Act and repayment of the loan.

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that section 3 be considered as read, printed in the record, and opened to amendment at any point.

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

There was no objection.

## AMENDMENT OFFERED BY MR. MAYNE

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

The Clerk read as follows:

Amendment offered by Mr. MAYNE: Page 7, line 22, strike out the figure "\$350,000" and insert in lieu thereof the figure "\$250,000".

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes in support of his amendment.

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

Mr. MAYNE. Mr. Chairman, I yield to the gentleman from Texas, the distinguished chairman of the committee.

Mr. POAGE. Mr. Chairman, speaking for myself and on instruction of the Committee on Agriculture, the committee will accept the gentleman's amendment.

Mr. MAYNE. Mr. Chairman, I thank the chairman of the committee and I will say nothing further about the amendment except that it reduces the individual ceiling on guaranteed loans from \$350,000 to \$250,000.

I yield to the gentleman from Michigan.

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

This does not relate specifically to the gentleman's amendment, but relates to the whole bill. As I understand the legislation, it is basically intended to provide guaranteed loans for livestock producers suffering economic hardship, but I wonder whether it does include dairy cattle as well as livestock? I would like the gentleman to confirm that these loans would be available to dairymen who have lost their herds because of con-

tamination of feed and things of that nature; is that not correct?

Mr. MAYNE. Yes; guaranteed loans to producers of dairy cattle are authorized if they are unable to get credit otherwise and if they meet the other requirements of this legislation.

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

Mr. PRICE of Texas. Mr. Chairman, I rise in opposition to this amendment and would like to submit for the RECORD three pages showing the financial operation of Government agencies and direct loans that have been made at interest rates all the way from 2 to 6 percent, just as a means of bringing it to the committee's attention.

Mr. Chairman, I include herewith the material referred to:

## GOVERNMENT DIRECT LOANS AT INTEREST RATE UNDER 6 PERCENT—AGENCY, PROGRAM, AND INTEREST RATE

Funds appropriated to the President: Expansion of defense production: Treasury Department, 3-5%.

Foreign Assistance: Liquidation of foreign military sales fund: long-term credits, 0-6%.

Military credit sales to Israel, 3-6½%.

International development assistance (IDA): Agency for International Development: Alliance for Progress, development loans, common defense, economic and trade loans, ¾-5¾%.

Development loan fund liquidation account, ¾-5¾%.

Development loans, ¾-6%.

Grants and other programs, ¾-5%.

## AGRICULTURE DEPARTMENT

Farmers Home Administration:

Loans to individuals, 4½%.

Loans to cooperative associations, 4½%.

Credit sales of surplus property, 4½%.

## COMMERCE DEPARTMENT

Science and Technology: Fisheries loan fund, 3-8%.

## HEALTH, EDUCATION, AND WELFARE

Health Services and Mental Health Administration: Community facilities, 2½-2¾%. Construction of hospitals and other medical facilities, 2½-4¼%.

National Institute of Health: Health manpower student loan programs, 3-5½%.

Office of Education: Higher education facilities loan and insurance fund, 3-3¾%.

Federal capital contributions, 3%.

Social and Rehabilitation Service: Assistance to refugees in the U.S., 3%.

## HOUSING AND URBAN DEVELOPMENT DEPARTMENT

Federal Housing Administration: College housing loans, 2.75-3.75%.

Housing for elderly or handicapped, 3-3.75%.

Low-rent public housing: Purchase money mortgages, 3-5½%.

Community development: Public facility loans, 3¾-6%.

## INTERIOR DEPARTMENT

Bureau of Indian Affairs: Liquidation of Hoonah Housing Project, 3%.

Revolving fund for loans:

Cooperative associations, 3-5½%.

Corporations and tribes, 0-5½%.

Credit associations, 2-5%.

Expert assistance, 5½%.

Individual Indians, 0-5½%.

Territorial Affairs: Public works, 2%.

Water and power resources:

Bureau of Reclamation: Irrigation distribution systems, —. Small irrigation projects, 3-4½%.

## JUSTICE DEPARTMENT

Loans to law enforcement students, 3-7%.

## STATE DEPARTMENT

Loans to Finland—World War I, 3-4¼%.  
Loan to the United Nations, 2%.

## TREASURY DEPARTMENT

Miscellaneous loans and other credits:  
Greece—WW I, 2%.  
Haiti, 0-3½%.  
Turkey, 2%.  
Lend-lease and surplus property, 0-2¾%.  
Loan to United Kingdom, 0-2%.

## VETERANS' ADMINISTRATION

National service life insurance fund, 4-5%.  
Service-disabled life insurance fund, 4-5%.  
Soldiers' and sailors' civil relief, 4-5%.  
U.S. Government life insurance fund, 4-5%.  
Veterans reopened insurance fund, 4-5%.  
Veterans special life insurance fund, 4-5%.

## SMALL BUSINESS ADMINISTRATION

Handicapped loans, 3%.  
Local development company loans, 5-5½%.

## RURAL ELECTRIFICATION ADMINISTRATION

Rural Electrification and telephone revolving fund:  
Electric systems, 2-5%.  
Appliances and equipment, 2-5%.  
Telephone systems, 2-5%.

## FUNDS APPROPRIATED TO THE PRESIDENT

International development assistance: Bilateral assistance:  
Development loan fund liquidation account, ¾-8%.  
Common defense, economic, and triangular trade loans, ½-3½%.  
All other loans, ½-5%.  
Source: Financial Operations of Government Agencies and Funds, Treasury Bulletin—March 31, 1974.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. MAYNE).

The amendment was agreed to.

The Chairman. The clerk will read.

The Clerk read as follows:

Sec. 4. Loans guaranteed under this Act shall be secured by security adequate to protect the Government's interests, as determined by the Secretary.

Sec. 5. Loan guarantees outstanding under this Act shall not exceed \$2,000,000,000 at any one time. Subject to the provisions of section 2(c) of this Act, the fund created in section 309 of the Consolidated Farm and Rural Development Act shall be used by the Secretary for the discharge of the obligations of the Secretary under contracts of guarantee made pursuant to this Act.

Sec. 6. Contracts of guarantee under this Act shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

## POINTS OF ORDER

Mr. VANIK. Mr. Chairman, I make a point of order.

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

Mr. VANIK. Mr. Chairman, I make a point of order against section 6. The language in section 6 removes any expenditures under this act from the debt ceiling of the United States. My point of order is based on the point that this language constitutes an appropriation in a legislative bill, and second, invades the jurisdiction of another committee which has jurisdiction under the rules of this

House, and with respect to those items it should be included in the debt ceiling.

The CHAIRMAN (Mr. MEEDS). The Chair is ready to rule.

The Chair would state to the gentleman, as to the argument with respect to committee jurisdiction, that the provisions of section 6 of the committee substitute are also continued in section 7 of the original bill, and the point of order of germaneness is not in order. Section 6, while it provides that guarantees shall not be included in budget totals and shall be exempt from limitations on net lending, does not appropriate funds and does not violate clause 4 of rule XXI. The points of order are overruled.

Does the gentleman wish to be heard further?

Mr. VANIK. Mr. Chairman, what about the second point that I made, that this is not within the jurisdiction of the Committee on Agriculture, to determine what should go into the debt ceiling?

The CHAIRMAN. That is not a proper point of order. That is a matter which should be resolved in another way.

## AMENDMENT OFFERED BY MR. VANIK

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

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 8, line 22, strike all of section 6 through page 9, line 2 and renumber the following sections accordingly.

Mr. VANIK. Mr. Chairman, the amendment which I offer would strike all of section 6, and would bring this program into the regular budget process and public debt ceiling.

According to a letter from the Department of Agriculture to the committee a 5-percent default rate can be expected. As a result, this program will cost the public at least \$80 million. But the Department admits that the cost "could be millions of dollars more, or less, than the above figure."

Mr. Chairman, I believe that the cost will be much, much higher—and for the sake of fiscal honesty and integrity, we should include the full amount of the guarantee loan program in the public debt and budget totals.

If this is indeed an emergency program, if the farmers and ranchers are in such desperate straits, we can expect much higher default totals. If there is no emergency, then the program is unjustified and the entire bill should be defeated. I do not know how the committee can have it both ways.

If the producers cannot obtain bank loans now, it must mean that the banks do not believe that they can repay the loans. This bill guarantees loans at today's unprecedented, almost usurious rates.

How will the farmers and ranchers be able to repay these exorbitant loans a year from now? Either this will become a permanent loan program or we will be asked to provide loan forgiveness. In either case, we are taking the first step today in making a massive budget expenditure—and we should list this \$2 billion in the budget totals and public debt totals.

Mr. Chairman, the Congress is concerned about inflation. This bill will create additional upward pressure on interest rates. Many of the principal sponsors of this legislation have been particularly vocal in their concern about inflation. Yet this is an enormously inflationary bill—and we are trying to hide that fact by keeping it out of the budget and public debt totals.

Do the members of the committee have any idea of the amount of guaranteed loans outstanding? How many new loans are being issued? According to OMB's special analysis of the President's budget for fiscal year 1975, \$39.2 billion in new guaranteed and insured loans will be issued in fiscal 1975. This increases the net total of guaranteed and insured loans outstanding from \$189.5 billion in fiscal 1974 to \$202.7 billion in fiscal year 1975. According to the Office of Management and Budget, the cost of the estimated subsidy value for guaranteed loans being made in fiscal year 1975 will be \$5.1 billion. This is the amount of subsidy accruing to the recipients of these guaranteed loans. This is the amount of the subsidy being paid by the taxpayer and by the consumer when he has to take out a nonguaranteed loan for himself. This is the amount of the subsidy which is being paid by all those who seek to obtain a mortgage to buy a house or purchase a new car.

Does the committee have any idea of the amount of net credit advanced and credit raised outside of the budget? New borrowing in fiscal 1975 will be about \$3.6 billion. The total of outstanding borrowing of federally backed agencies outside of the debt and budget will be \$83.4 billion in fiscal year 1975. During fiscal year 1975, the outstanding funds raised under Federal auspices and advanced to the public will be \$305.7 billion.

Mr. Chairman, these guarantees create inflation and distortions in the money markets just as surely as if we directly appropriated the money by name to farmer Jones and farmer Smith. This can be seen by the very language of the committee bill on page 7 where there is the requirement that no guarantee will be issued unless "the lender is unwilling to provide credit to the loan applicant in the absence of the guarantee."

Mr. Chairman, for the sake of budget integrity, and honesty, I urge the adoption of the amendment.

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

Mr. VANIK. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, the next section of the bill provides that—

Any contract of guarantee executed by the Secretary under this Act shall be an obligation supported by the full faith and credit of the United States \* \* \*

Mr. VANIK. That is correct.

Mr. GROSS. Mr. Chairman, I agree with the gentleman.

Mr. VANIK. That is correct. Mr. Chairman, I thank the gentleman for pointing that out.

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



Mr. Chairman, I wish to again express opposition to amendments to the pending bill. I am especially concerned over the adoption of the amendment reducing the loan figure from \$350,000 to \$250,000.

This amendment, if enacted into law, would seriously impair the effectiveness of the pending bill and deny the benefits of the measure to many of those who have the greatest need.

I want to urge that in conference the maximum loan figure be raised to the \$350,000 as provided in the original bill as reported by the Agriculture Committee.

This is urgently required.

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

The amendment was rejected.

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

SEC. 7. Any contract of guarantee executed by the Secretary under this Act shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder.

SEC. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate one year from the date of enactment of this Act, except that the Secretary of Agriculture may extend the guarantee authority provided in this Act for a period not to exceed six months if he (1) determines that such guarantees are necessary to the welfare of livestock producers and that adequate credit cannot be obtained without such guarantee by the Secretary, and (2) notifies the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least thirty days prior to the date on which he elects to extend the guarantee authority provided in the Act.

SEC. 9. (a) The provisions of section 310B (d) (6) of the Consolidated Farm and Rural Development Act shall apply to loans guaranteed under this Act.

(b) Contracts of guarantee executed pursuant to the provisions of this Act shall be fully assignable.

SEC. 10. The Secretary is authorized to issue such regulations as he determines necessary to carry out this Act. The proposed regulations shall be issued as soon as possible, but in no event later than thirty days from the date of enactment of this Act.

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that section 7 and the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

AMENDMENT OFFERED BY MR. PEYSER

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

The Clerk read as follows:

Amendment offered by Mr. PEYSER: On page 10, line 5, strike all that follows through and including line 7.

Mr. PEYSER. Mr. Chairman, I have taken the floor again at this time because there are many Members who are now on the floor who were not with us previously.

The amendment is of no importance, the one that is before us right now, and I am not even going to ask for a vote on this amendment. However, I think it is important, before we vote on final passage of this bill, that we do recognize that as many Members as can recognize that we are dealing with a whole new philosophy, not only in the field of agriculture, but in all fields of endeavor in this country, if we go along with this process. The idea of bailing out businesses that fail due to poor judgment is a mistake.

I think it is important to realize that it is not often that we get some of the major newspapers in this country that are on different sides of the fence politically, such as the New York Times and the New York Daily News, both of which generally are on opposite sides of the political fence editorially, have both come out strongly in opposition to this bill. And the Wall Street Journal, that certainly has interest in the investment community, that is deeply involved in this legislation, has also come out in opposition to this bill.

We have in effect the picture here as far as I am concerned of a guaranteed cost to the taxpayer at this time of the full \$2 billion that we are talking about in guaranteed loans. Because I think that if you realize that in the bill the persons that are eligible for these loans are people who can receive credit from no one at this time, who are in a desperate financial situation because of their own poor business maneuverings. I say this because of what we have seen today on the floor, and have heard, of many of the major cattle associations in this country writing to us in opposition to this bill, saying that they do not want the bill.

We have had small cattle growers who have indicated that they have been in the cattle business for years, and for generations, in fact, and there have been ups and downs, but they want the Government to keep its hands off.

I support that concept. I ask that when we come to the vote on the final passage of this bill that we show the public and the cattle growers and all the livestock producers that are in this bill—and do not for a minute forget that the sheep, the goats, the chickens, the turkeys, and the hogs are in it—we are not giving them up—that we are going to defeat this bill and we are going to try to take a step that will make the marketplace a better place for them to sell in.

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

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

Mr. CONTE. Mr. Chairman, I might say first of all that unfortunately, I was forced to be at another meeting, and was not able to be here in time, because I had intended to offer an amendment to knock out the goats, sheep and turkeys from this bill.

I would ask the gentleman from New York if in his interpretation of the bill as it now stands, whether there are bucks for clucks in this bill, or what?

Mr. PEYSER. There will be money for every one of those categories.

Mr. ANDREWS of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would not say it was done deliberately by our friends from the big cities but possibly they would be trying to lead their country cousins a little astray, and I refer to the gentleman from New York (Mr. PEYSER) in the speech that he just made, wherein the gentleman said that this is a whole new philosophy. I would like to point out to the Members of the House that this is not a whole new philosophy, because a local franchise holder for a McDonald hamburger stand can go in and get an SBA loan to start up business because he cannot get credit from anybody else, for \$350,000 to sell hamburgers. All this bill does is to enable the individual small beef producer to get the credit to stay in a business that he has been in in the past, so as to be able to serve the communities in our country and to serve the consumers in our country so that they will have hamburgers to buy in that McDonald hamburger stand.

This is not new, this is not a new philosophy. It is nothing different from what our city cousins have been doing for a long time. I am amazed at my colleague, the gentleman from New York, when he says that to apply this same philosophy to the farmers so that they can produce the beef, without which there would be no hamburger for the hamburger stand to sell, he says that, for some reason, this is all wrong, that it is a different philosophy to extend credit guarantees to the beef produce than to extend it to the hamburger retailers.

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

Mr. ANDREWS of North Dakota. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I thank the gentleman for yielding to me, and I would like to say that I believe the gentleman from North Dakota (Mr. ANDREWS) is absolutely right. I think we have got to put this thing into perspective. As a matter of fact, there are 155,000 feedlots in the United States, 2,000 of them feed more than 1,000 head of cattle apiece. This bill is designed to strengthen the backbone of 155,000 cattle feeders in this land, and not for the super corporations or conglomerates that have been alluded to by some of the Members. As a matter of fact, more than 1 million farmers in the United States are engaged in the production of dairy, swine, sheep, and turkeys. Only 16,000 produce more than 1,000 animal units apiece.

We are talking about a bill to guarantee the survival of the background of American agriculture. I certainly urge the adoption of the bill.

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

I should like to speak about the philosophy that the gentleman just discussed. There is a bill presently before us that reads that—

(a) The Secretary of the Treasury shall pay out of funds appropriated to carry out this act to any regulated public utility reimbursement pursuant to Section B of this section for any amount expended for residual fuel oil to the extent that the price of such oil exceeded \$7.50 a barrel.

Clearly, the philosophy of that bill is that, if the cost to the producer of electricity goes up, that the U.S. Government should subsidize—not loan at the going interest rate—but directly subsidize the utility for all the difference between the cost of the oil and \$7.50 per barrel.

That, surely, would not be the philosophy of the opponents of this bill, who find it so improper to guarantee loans for cattle feeders who are paying three and four times as much for feed as they did a few years before. But somehow or another this bill comes in here under the name of a member of our committee who opposed this bill. Somehow the record indicates that our colleague who feels so strongly that we should not guarantee any loans for cattlemen but that it was entirely proper to subsidize the utilities of New York.

I do not know what mistake has been made. I cannot understand who has made this mistake. I do not know how this utility bill got circulated today when we are discussing loans for livestock producers, but certainly there has been a mistake made, and I hope the membership will correct it by just voting for these loans even if you can't support the philosophy of subsidy for the utilities.

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

Mr. POAGE. I yield to the gentleman from Louisiana.

Mr. RARICK. I thank the gentleman for yielding.

I should just like to thank the Chairman for his observation and remind him and the other Members of the Committee that it was just about 3 weeks ago that Mr. PEYSER, the great consumer spokesman, urged the defeat of the Sugar Act because he said it would help the American consumer. And a few weeks later we see the results, it has raised the price of sugar 5 cents a pound. Today I do not know what he is going to promise the consumer, but if he helps kill this bill, I believe it will also include raising the price of meat to the consumer.

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

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

Mr. GROSS. I thank the gentleman for yielding.

I, too, am somewhat surprised at the gentleman from New York (Mr. PEYSER). I have not heard him protest to the use of a billion dollars to shore up the Franklin National Bank in New York City, nor have I heard him protest the use of Government funds to finance and guarantee loans to Amtrak. I wonder when he is going to object to the financing of these and other projects?

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

Mr. POAGE. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

I should like to say to the gentleman from Iowa I have no knowledge of any bill to bail out the Franklin National Bank, nor would I be interested in supporting such a bill.

Mr. GROSS. The money is already there.

Mr. PEYSER. I would not support providing for money in such a bill any more than I supported Lockheed.

As the gentleman knows, the price of sugar and what is happening in the market today has nothing to do with what is taking place on the floor, because that will take place next year. The price is going down, not up.

Mr. POAGE. I call the gentleman's attention to the fact that the very next day after we voted the sugar bill down, the price of sugar went up 2 cents. It seems clear that our action may have had something to do with what occurred the very next day.

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

Mr. Chairman, I rise in opposition to this legislation. This bill is no different from the ones this House has previously dealt with. The Lockheed loans and the recent Poultry Indemnity Act are examples of the doubtful principle of congressional salvage operations.

One of the best incentives I know of for preventing poor business decisions or sloppy management is the threat of failure hardship. This sort of program eliminates that worry from our economy, and would set a bad precedent that would soon come back to harass us.

The Secretary of the Treasury has put it well. "Who's next?" he asks. I doubt whether many of my colleagues would look favorably on a subsidy program for the struggling brokers of Wall Street, but the same phenomenon, inflation, has caused failures there, too.

I recognize that cattlemen have suffered serious losses because of high costs and market declines. But a loan program is not going to help bring the cattle market back up, nor will it deal with the other serious factors contributing to the livestock industry's present situation. If Congress wants to pass a bill that will help these cattlemen, then it should complete action on the trade bill, so that the President has the authority to negotiate away the unfair import barriers which foreign countries have used to slow U.S. beef exports.

The basic concept of this bill is that livestock breeders will not be able to obtain bank loans without guarantees. I do not believe that the cattlemen will be deserted now by the country bankers that have financed them in years past—good or bad. The Federal Reserve Bank of Minneapolis indicates that although many banks have customers with financial problems, there is no evidence of any bankruptcies. Many cattlemen are holding off on bank loans for feed because of concerns over high prices. But other than this area of concern, it does

not look very much like an emergency which requires congressional action such as we are now considering.

There is also a question of whether this emergency even exists any more. If the bill was motivated by a severe dip in the price of beef, then there is no reason to pass it now that the market has rebounded. The summer barbecue season is upon us and it appears that the consumer is now getting the message that beef is affordable again.

Finally, Mr. Chairman, I do not believe that the House should pass a bill with an estimated cost of at least \$80 million when there is a need for congressional leadership in curbing inflation. Next to our overweight department budgets, \$80 million seems like a small amount. But it is too much when it is earmarked for a program of dubious necessity.

I think the bill sets a bad example for the American taxpayer who is concerned about inflation and Federal spending. It also sets a poor precedent for the businessmen who wonder whether risky financial ventures are going to be salvaged by the Government everytime they fail. I think the bill is a bad one, and I urge its defeat.

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

Mr. Chairman, I think it should be strongly emphasized before a vote is taken on the pending bill that it is not a giveaway livestock program. There is no provision for any grant to any farmer, or to any livestock producer. It does not even provide for a Federal loan program. It does not call for any Federal loans. It merely provides that the Federal Government shall guarantee private loans, and those private loans are guaranteed only after certain security requirements have been met.

Under section 3(c) of the bill, no loan shall be made until, and I quote, "The Secretary finds there is reasonable probability of accomplishing the objectives of the Act and repayment of the loan."

And section 4 of the bill provides as follows:

Loans guaranteed under this Act shall be secured by security adequate to protect the Government's interests, as determined by the Secretary.

What the pending bill does is to help livestock producers in dire financial straits to continue in business to produce beef and poultry, which they would not otherwise be able to do. Failure to pass this bill would mean that thousands of livestock producers would be forced out of business, with the consequence of substantial decrease in the supply of beef and poultry for our markets. This can only mean higher food costs to the American consumer.

Mr. Chairman, H.R. 15560 is a bill which will benefit livestock producers and consumers alike, and I therefore urge its passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PEYSER).

The amendment was rejected.



The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MEEDS, 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. 15560) to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock producers, pursuant to House Resolution 1226, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

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

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

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

#### RECORDED VOTE

Mr. PEYSER. Mr. Speaker, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 204, not voting 20, as follows:

[Roll No. 383]

#### AYES—210

Abdnor	Dickinson	Hogan
Alexander	Dingell	Hungate
Andrews, N.C.	Downing	Hutchinson
Andrews,	Duncan	Ichord
N. Dak.	Eckhardt	Jarman
Arends	Esch	Johnson, Calif.
Armstrong	Eshleman	Johnson, Colo.
Bafalis	Evans, Colo.	Johnson, Pa.
Bauman	Evins, Tenn.	Jones, Ala.
Beard	Findley	Jones, N.C.
Bergland	Fisher	Jones, Okla.
Bevill	Flood	Jones, Tenn.
Boggs	Flowers	Jordan
Bolling	Flynt	Karth
Bowen	Foley	Kastenmeier
Breaux	Fountain	Kazen
Breckinridge	Fraser	Ketchum
Brooks	Froehlich	Kuykendall
Brotzman	Fulton	Kyros
Brown, Calif.	Fuqua	Lagomarsino
Brown, Mich.	Gettys	Landrum
Broyhill, N.C.	Gillman	Latta
Burleson, Tex.	Ginn	Leggett
Burlison, Mo.	Gonzalez	Litton
Butler	Goodling	Long, La.
Camp	Gray	Lott
Carter	Green, Oreg.	Lujan
Casey, Tex.	Gubser	McClory
Cederberg	Guyer	McCollister
Chappell	Haley	McCormack
Clausen	Hamilton	McEwen
Don H.	Hammer-	McFall
Cleveland	schmidt	McKay
Cochran	Hanley	McSpadden
Cohen	Hansen, Idaho	Madigan
Culver	Hansen, Wash.	Mahon
Daniel, Dan	Harsha	Mallory
Davis, S.C.	Hays	Mathias, Calif.
Davis, Wis.	Hébert	Mathis, Ga.
de la Garza	Henderson	Matsunaga
Denholm	Hicks	Mayne
Dent	Hillis	Melcher

Mezvisky	Randall	Stuckey
Michel	Rarick	Talcott
Mills	Reid	Taylor, Mo.
Mitchell, N.Y.	Rhodes	Taylor, N.C.
Mizell	Riegle	Teague
Mollohan	Roberts	Thomson, Wis.
Montgomery	Robinson, Va.	Thone
Morgan	Roncalio, Wyo.	Thornton
Murtha	Rose	Traxler
Natcher	Roush	Treen
Nedzi	Roy	Udall
Nelsen	Roybal	Ullman
Nichols	Ruth	Vander Jagt
Obey	Sandman	Vigorito
O'Brien	Scherle	Waggoner
O'Hara	Sebellius	Wampler
O'Neill	Seiberling	White
Owens	Shipley	Whitten
Passman	Shriver	Wilson, Bob
Patman	Sisk	Wilson,
Pepper	Skubitz	Charles, Tex.
Perkins	Slack	Winn
Pettis	Smith, Iowa	Wright
Pickle	Spence	Young, Fla.
Poage	Staggers	Young, S.C.
Preyer	Steed	Young, Tex.
Price, Ill.	Steiger, Ariz.	Zablocki
Price, Tex.	Steiger, Wis.	Zwack
Quile	Stephens	
Rallsback	Stubblefield	

#### NOES—204

Abzug	Fascell	Podell
Adams	Fish	Powell, Ohio
Addabbo	Ford	Pritchard
Anderson,	Forsythe	Quillen
Calif.	Frelinghuysen	Rangel
Anderson, Ill.	Frenzel	Rees
Annunzio	Frey	Regula
Archer	Gaydos	Reuss
Ashbrook	Glaimo	Rinaldo
Ashley	Gibbons	Rodino
Aspin	Goldwater	Roe
Badillo	Grasso	Rogers
Barrett	Green, Pa.	Roncalio, N.Y.
Bell	Gross	Rooney, Pa.
Bennett	Grover	Rosenthal
Blaggi	Gude	Rostenkowski
Blester	Hanrahan	Rousselot
Bingham	Harrington	Runnels
Blackburn	Hastings	Ruppe
Boland	Hawkins	Ryan
Brademas	Hechler, W. Va.	St Germain
Bray	Heckler, Mass.	Sarasin
Brinkley	Heinz	Sarbanes
Broomfield	Helstoski	Satterfield
Brown, Ohio	Hinshaw	Schneebell
Broyhill, Va.	Holfeld	Shoup
Buchanan	Holt	Shuster
Burgener	Holtzman	Sikes
Burke, Calif.	Horton	Smith, N.Y.
Burke, Fla.	Hosmer	Snyder
Burke, Mass.	Howard	Stanton,
Burton, John	Huber	J. William
Burton, Phillip	Hudnut	Stark
Byron	Hunt	Steele
Carney, Ohio	Kemp	Steelman
Chamberlain	King	Stokes
Chisholm	Kluczynski	Stratton
Clancy	Koch	Studds
Clark	Lehman	Sullivan
Clawson, Del	Lent	Symms
Collier	Long, Md.	Thompson, N.J.
Collins, Ill.	Luken	Tiernan
Collins, Tex.	McCloskey	Towell, Nev.
Conable	McDade	Van Deerlin
Conte	McKinney	Vander Veen
Conyers	Macdonald	Vanik
Corman	Madden	Veysey
Cotter	Mann	Waldie
Coughlin	Maraziti	Walsh
Crane	Martin, Nebr.	Ware
Cronin	Martin, N.C.	Whalen
Daniel, Robert	Mazzoli	Whitehurst
W., Jr.	Meeds	Widnall
Daniels,	Millford	Wiggins
Dominick V.	Miller	Williams
Danielson	Minish	Wilson,
Delaney	Minshall, Ohio	Charles H.,
Dellenback	Mitchell, Md.	Calif.
Dellums	Moakley	Wolf
Dennis	Moorhead,	Wyatt
Derwinski	Calif.	Wydler
Devine	Moorhead, Pa.	Wylie
Diggs	Mosher	Wyman
Donohue	Moss	Yates
Drinan	Murphy, Ill.	Yatron
Dulski	Murphy, N.Y.	Young, Alaska
du Pont	Nix	Young, Ga.
Edwards, Ala.	Parris	Young, Ill.
Edwards, Calif.	Patten	Zion
Ellberg	Peyser	
Erlenborn	Pike	

#### NOT VOTING—20

Baker	Dorn	Myers
Blatnik	Griffiths	Robison, N.Y.
Brasco	Gunter	Rooney, N.Y.
Carey, N.Y.	Hanna	Schroeder
Clay	Landgrebe	Stanton,
Conlan	Metcalfe	James V.
Davis, Ga.	Mink	Symington

So the bill was passed.

The Clerk announced the following pairs:

Mr. Davis of Georgia with Mr. Baker.  
Mr. Rooney of New York with Mr. Hanna.  
Mr. James V. Stanton with Mrs. Schroeder.  
Mr. Carey of New York with Mr. Conlan.  
Mrs. Mink with Mr. Landgrebe.  
Mr. Brasco with Mrs. Griffiths.  
Mr. Clay with Mr. Symington.  
Mr. Metcalfe with Mr. Blatnik.  
Mr. Dorn with Mr. Myers.  
Mr. Gunter with Mr. Robison of New York.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to provide temporary emergency livestock financing through the establishment of a guaranteed loan program."

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1226, the Committee on Agriculture is discharged from further consideration of the bill S. 3679, to provide emergency financing for livestock producers.

The Clerk read the title of the Senate bill.

#### MOTION OFFERED BY MR. POAGE

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

The Clerk read as follows:

Mr. POAGE moves to strike out all after the enacting clause of the bill S. 3679, and to insert in lieu thereof the provisions of H.R. 15560, as passed, as follows:

That this Act may be cited as the "Emergency Livestock Credit Act of 1974".

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock. In the case of corporations or partnerships, such financial assistance shall be extended only when a majority interest in such corporations or partnerships is held by stockholders or partners who themselves are primarily and directly engaged in such agricultural production. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

(b) The Secretary shall guarantee loans, including both principal and interest, made by any legally organized lending agency which otherwise meet the purposes and conditions of this Act. As used herein, a guaranteed loan is one which is made, held, and serviced by a legally organized lending agency and which is guaranteed by the Secretary hereunder: *Provided*, That the term "legally organized lending agency" shall not be deemed to include the Federal Financing Bank.

(c) No contract guaranteeing any such loan by a lender shall require the Secretary to participate in more than 80 per centum of any loss sustained thereon.

(d) No fees or charges shall be assessed by the Secretary for any guarantee provided by him under this Act.

(e) Loans guaranteed under this Act shall bear interest at a rate to be agreed upon by the lender and borrower.

(f) Loans guaranteed under this Act shall be payable in not more than three years, but may be renewed for not more than two additional years.

SEC. 3. As a condition of the Secretary's guaranteeing any loan under this Act—

(a) The lender shall certify that—

(1) the lender is unwilling to provide credit to the loan applicant in the absence of the guarantee authorized by this Act;

(2) the loan applicant is directly and in good faith engaged in agricultural production, and the financing to be furnished the loan applicant is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock;

(3) the loan is for the purpose of maintaining the operations of the loan applicant, and the total loans made to the loan applicant do not exceed the amount necessary to permit the continuation of his livestock operations at a level equal to its highest level during the eighteen months immediately preceding the date of enactment of this Act: *Provided*, That the total loans guaranteed under this Act for any loan applicant shall not exceed \$250,000;

(4) in the case of any loan to refinance the livestock operations of a loan applicant (i) the loan and refinancing are absolutely essential in order for the loan applicant to remain in business, (ii) the lending agency would not refinance such loan in the absence of a guarantee, and (iii) the lending agency is not currently refinancing similar loans to others without such guarantees.

(b) The loan applicant shall certify that he will be unable to obtain financing in the absence of the guarantee authorized by this Act.

(c) The secretary finds there is reasonable probability of accomplishing the objectives of the Act and repayment of the loan.

SEC. 4. Loans guaranteed under this Act shall be secured by security adequate to protect the Government's interests, as determined by the Secretary.

SEC. 5. Loan guarantees outstanding under this Act shall not exceed \$2,000,000,000 at any one time. Subject to the provisions of section 2(c) of this Act, the fund created in section 309 of the Consolidated Farm and Rural Development Act shall be used by the Secretary for the discharge of the obligations of the Secretary under contracts of guarantee made pursuant to this Act.

SEC. 6. Contracts of guarantee under this Act shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

SEC. 7. Any contract of guarantee executed by the Secretary under this Act shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder.

SEC. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate one year from the date of enactment of this Act, except that the Secretary of Agriculture may extend the guarantee authority provided in this Act for a period not to exceed six months if he (1) determines that such guarantees are necessary to the welfare of livestock producers and that adequate credit cannot be obtained without such guarantee by the Secretary, and (2) notifies the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least thirty days prior to the date on which he elects to extend the guarantee authority provided in the Act.

SEC. 9. (a) The provisions of section 310B (d) (6) of the Consolidated Farm and Rural

Development Act shall apply to loans guaranteed under this Act.

(b) Contracts of guarantee executed pursuant to the provisions of this Act shall be fully assignable.

SEC. 10. The Secretary is authorized to issue such regulations as he determines necessary to carry out this Act. The proposed regulations shall be issued as soon as possible, but in no event later than thirty days from the date of enactment of this Act.

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: "A bill to provide temporary emergency livestock financing through the establishment of a guaranteed loan program."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 15560) was laid on the table.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had tabled the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7824) entitled "An act to establish a Legal Services Corporation, and for other purposes."

And that the Senate further insists upon its amendments to the above-entitled bill, disagreed to by the House.

#### PERSONAL EXPLANATION

Mr. BRECKINRIDGE. Mr. Speaker, I appreciate this opportunity to make a statement of personal explanation.

On Wednesday, July 10, 1974, and on June 26, 1974, I was present and voted, but my votes were not recorded. I voted on the following rollcall numbers, as follows: No. 370, aye; No. 371, no; No. 372, aye; and on No. 332, aye.

#### GENERAL LEAVE

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

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

There was no objection.

#### APPOINTMENT OF CONFEREES ON S. 2296, PROTECTION, DEVELOPMENT, AND ENHANCEMENT OF NATIONAL FOREST SYSTEM LANDS AND RESOURCES

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 2296), together with the House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request by the gentleman from

Texas? The Chair hears none, and appoints the following conferees: Messrs. POAGE, RARICK, VIGORITO, GOODLING, and BAKER.

#### CONFERENCE REPORT ON H.R. 11295, ANADROMOUS FISH CONSERVATION ACT AMENDMENTS

Mr. DINGELL. Mr. Speaker, I call up the conference report on the bill (H.R. 11295) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see *Proceedings of the House for July 11, 1974.*)

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

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

There was no objection.

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

Mr. Speaker, the purpose of H.R. 11295 is to extend and expand the program for the conservation, development, and enhancement of our Nation's anadromous fish and fish in the Great Lakes that ascend streams to spawn.

Mr. Speaker, briefly explained, anadromous fish and those species of fish that begin their life in fresh water, where they live for varying periods, then migrate to salt water where they usually spend most of their adult lives and finally return to fresh water—usually to the stream of their birth—to spawn, after which many die, having completed their lifespan. There are many species of fish in the Great Lakes similar to anadromous fish, however, they are not considered anadromous because they do not migrate to salt water. The Anadromous Fish Conservation Act was enacted in 1965 in response to an urgent need for a comprehensive national program designed to benefit the anadromous fishery resources of our Nation. The 1965 act authorized the Secretary of the Interior to enter into cooperative agreements with the States, either separately or jointly, for the conservation, development, and enhancement of anadromous fish and those stocks of fish in the Great Lakes that ascend streams to spawn. Under the act, the Federal share of the total cost of any project approved by the Secretary of the Interior is limited to an amount not to exceed 50 percent of such costs, with the remaining cost to be paid for by the States.

However, in order to encourage multi-state projects, in 1970, the act was amended to provide that whenever two or more States having a common interest



in any basin jointly enter into a cooperative agreement with the Secretary of the Interior, the Federal share of the program costs would be increased to 60 percent with the remaining costs to be borne by the States concerned.

Mr. Speaker, since the enactment of the act the program has met with enthusiastic response from all of the States participating in the program with \$16 million of Federal funds being invested in the program.

Mr. Speaker, the need for the legislation under consideration today is due to the fact that the Anadromous Fish Conservation Act expired June 30, 1974. Briefly explained, H.R. 11295, as it passed the House on January 22 of this year, would amend section 4(a) of the act to extend the act for an additional 5 years, that is until June 30, 1979, and authorize to be appropriated \$10 million per year, which is at the same level of funding authorized to be appropriated under present law. In addition, the bill would amend section 2 of the act to authorize the carrying out of a program to provide for the control of the sea lamprey.

The need for this latter provision arises from the fact that in 1965, when the act came into being, the Great Lakes Fishery Commission had underway a program to control sea lamprey with electric weirs and selective chemical toxicants. It had been anticipated at that time that with the continued use of these methods, control of sea lampreys would be a reality within 5 to 10 years. It has now been determined that the original goal was optimistic and that additional time and effort will be needed before lamprey control can be achieved.

Mr. Speaker, the Senate passed H.R. 11295 this past June 5 with an amendment. The Senate amendment to the bill contained language which would amend section 1(a) of the act to increase the Federal share of the cost of carrying out projects undertaken by an individual State from an amount not to exceed 50 percent, as provided by present law, to an amount not to exceed 75 percent of such costs. The House bill contained no such language. The Senate receded on this issue.

The Senate amendment to the bill also contained language which would amend section 1(c) of the act to increase the Federal share of the cost of carrying out projects undertaken by two or more States having a common interest in any basin from an amount not to exceed 60 percent, as provided by present law, to an amount not to exceed 80 percent of such costs. The House bill contained no such language. The House receded on this issue and in doing so we agreed to accept substitute language that would increase the Federal share in carrying out such multistate projects to a maximum of 66 2/3 percent of such costs.

Mr. Speaker, we agreed to an increase in the Federal share of the costs of carrying out multistate-Federal projects because we think they are especially desirable in research management and in the establishment of common stocks of fish occurring in any basin where there is a mutual interest. Because of the im-

portance attached to this provision, the Committee on Conference included language in its report to encourage the entering into of multi-State project agreements. Benefits expected to be realized from such multistate projects would include detailed planning of projects by the participating agencies, federally coordinated results, economy of effort and reduced costs by reducing duplications as compared to individual State-by-State projects. The Committee on Conference also included in its report language to make it clear that when there are limited funds available with which to carry out this act, consideration should be given to providing priority for multi-State projects.

Finally, Mr. Speaker, the Senate amendment to the bill contained language which would further amend section 4(a) of the act—as amended by section 2 of this act—to increase the amount of funds authorized to be appropriated each fiscal year from \$10 million to \$20 million per year.

The House bill would leave the funding to \$10 million per year. However, because of the existing backlog of unfunded State requests which amounted to \$3 million per year for fiscal year 1973 and 1974, and because of increasing the Federal share of the cost of carrying out multistate projects from 60 percent to 66 2/3 percent, as would be provided by the conference bill, the conferees felt that \$20 million would be needed annually in order to adequately carry out the purposes of this act and therefore the conference report so provided.

Mr. Speaker, I think that the bill that has been reported by the conference committee is a good bill and I urge its prompt passage.

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

Mr. GOODLING. Mr. Speaker, the managers on the part of the House and the Senate have struck a reasonable compromise between the provisions of H.R. 11295, as initially passed by the House and as amended by the other body. The conferees agreed to retain the 50 percent Federal funding of individual State projects, as provided for in the basic act, there being no record to justify the increase to 75 percent Federal funding as proposed by the Senate.

The House managers agreed, however, to raise to 66 2/3 percent the Federal funding level for multistate projects. The basic law provided for 60 percent and the Senate had proposed to increase this to 80 percent. The modest increase in multistate funding which has been agreed to is a reflection of our belief that such projects are preferable, and the States should be encouraged to get together on stream restoration projects.

The House managers agreed to the increased authorization level provided for in the Senate-passed bill of \$20 million per year over a 5-year period. There is a large backlog of unfunded State requests under the Anadromous Fish Conservation Act, and this coupled with the

increase in the Federal share for multistate projects justifies the increased authorization level. Anadromous fish, including salmon, are among our most important natural resources. They are totally dependent upon the quality of our inland streams and rivers for spawning. This legislation has funded over 300 projects, including hatcheries, rearing ponds, and fish ladders, as well as sponsoring vital research programs to enhance our anadromous fish resources.

I urge my colleagues to adopt the conference report on H.R. 11295.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

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

There was no objection.

#### LEGAL SERVICES CORPORATION ACT

MOTION OFFERED BY MR. PERKINS

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

The Clerk read as follows:

Mr. PERKINS moves that the House take from the Speaker's table the bill H.R. 7824, with the Senate amendments thereto, recede from its disagreement to the Senate amendment to the text of the bill and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Legal Services Corporation Act of 1974".

SEC. 2. The Economic Opportunity Act of 1964 is amended by adding at the end thereof the following new title:

"TITLE X—LEGAL SERVICES CORPORATION ACT

"STATEMENT OF FINDINGS AND DECLARATION OF PURPOSE

"SEC. 1001. The Congress finds and declares that—

"(1) there is a need to provide equal access to the system of justice in our Nation for individuals who seek redress of grievances;

"(2) there is a need to provide high quality legal assistance to those who would be otherwise unable to afford adequate legal counsel and to continue the present vital legal services program;

"(3) providing legal assistance to those who face an economic barrier to adequate legal counsel will serve best the ends of justice;

"(4) for many of our citizens, the availability of legal services has reaffirmed faith in our government of laws;

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

"(6) attorneys providing legal assistance must have full freedom to protect the best interests of their clients in keeping with the Code of Professional Responsibility, the Canons of Ethics, and the high standards of the legal profession.

#### "DEFINITIONS

"SEC. 1002. As used in this title, the term—

"(1) 'Board' means the Board of Directors of the Legal Services Corporation;

"(2) 'Corporation' means the Legal Services Corporation established under this title;

"(3) 'eligible client' means any person financially unable to afford legal assistance;

"(4) 'Governor' means the chief executive officer of a State;

"(5) 'legal assistance' means the provision of any legal services consistent with the purposes and provisions of this title;

"(6) 'recipient' means any grantee, contractee, or recipient of financial assistance described in clause (A) of section 1006 (a) (1);

"(7) 'staff attorney' means an attorney who receives more than one-half of his annual professional income from a recipient organized solely for the provision of legal assistance to eligible clients under this title; and

"(8) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

#### "ESTABLISHMENT OF CORPORATION

"SEC. 1003. (a) There is established in the District of Columbia a private nonmembership nonprofit corporation, which shall be known as the Legal Services Corporation, for the purpose of providing financial support for legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance.

"(b) The Corporation shall maintain its principal office in the District of Columbia and shall maintain therein a designated agent to accept service of process for the Corporation. Notice to or service upon the agent shall be deemed notice to or service upon the Corporation.

"(c) The Corporation, and any legal assistance program assisted by the Corporation, shall be eligible to be treated as an organization described in section 170(c) (2) (B) of the Internal Revenue Code of 1954 and as an organization described in section 501 (c) (3) of the Internal Revenue Code of 1954 which is exempt from taxation under section 501(a) of such Code. If such treatments are conferred in accordance with the provisions of such Code, the Corporation, and legal assistance programs assisted by the Corporation, shall be subject to all provisions of such Code relevant to the conduct of organizations exempt from taxation.

#### "GOVERNING BODY

"SEC. 1004. (a) The Corporation shall have a Board of Directors consisting of eleven voting members appointed by the President, by and with the advice and consent of the Senate, no more than six of whom shall be of the same political party. A majority shall be members of the bar of the highest court of any State, and none shall be a full-time employee of the United States.

"(b) The term of office of each member of the Board shall be three years, except that five of the members first appointed, as designated by the President at the time of appointment, shall serve for a term of two years. Each member of the Board shall continue to serve until the successor to such member has been appointed and qualified. The term of initial members shall be computed from the date of the first meeting of the Board. The term of each member other than initial members shall be computed from

the date of termination of the preceding term. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term. No member shall be reappointed to more than two consecutive terms immediately following such member's initial term.

"(c) The members of the Board shall not by reason of such membership, be deemed officers or employees of the United States.

"(d) The President shall select from among the voting members of the Board a chairman, who shall serve for a term of three years. Thereafter the Board shall annually elect a chairman from among its voting members.

"(e) A member of the Board may be removed by a vote of seven members for malfeasance in office or for persistent neglect of or inability to discharge duties, or for offenses involving moral turpitude, and for no other cause.

"(f) Within six months after the first meeting of the Board, the Board shall request the Governor of each State to appoint a nine-member advisory council for such State. A majority of the members of the advisory council shall be appointed, after recommendations have been received from the State bar association, from among the attorneys admitted to practice in the State, and the membership of the council shall be subject to annual reappointment. If ninety days have elapsed without such an advisory council appointed by the Governor, the Board is authorized to appoint such a council. The advisory council shall be charged with notifying the Corporation of any apparent violation of the provisions of this title and applicable rules, regulations, and guidelines promulgated pursuant to this title. The advisory council shall, at the same time, furnish a copy of the notification to any recipient affected thereby, and the Corporation shall allow such recipient a reasonable time (but in no case less than thirty days) to reply to any allegation contained in the notification.

"(g) All meetings of the Board, of any executive committee of the Board, and of any advisory council established in connection with this title shall be open to the public, and any minutes of such public meeting shall be available to the public, unless the membership of such bodies, by two-thirds vote of those eligible to vote, determines that an executive session should be held on a specific occasion.

"(h) The Board shall meet at least four times during each calendar year.

#### "OFFICERS AND EMPLOYEES

"SEC. 1005. (a) The Board shall appoint the president of the Corporation, who shall be a member of the bar of the highest court of a State and shall be a non-voting ex officio member of the Board, and such other officers as the Board determines to be necessary. No officer of the Corporation may receive any salary or other compensation for services from any source other than the Corporation during his period of employment by the Corporation, except as authorized by the Board. All officers shall serve at the pleasure of the Board.

"(b) (1) The president of the Corporation, subject to general policies established by the Board, may appoint and remove such employees of the Corporation as he determines necessary to carry out the purposes of the Corporation.

"(2) No political test or political qualification shall be used in selecting, appointing, promoting, or taking any other personnel action with respect to any officer, agent, or employee of the Corporation or of any recipient, or in selecting or monitoring any grantee, contractor, or person or entity receiving financial assistance under this title.

"(c) No member of the Board may participate in any decision, action, or recommendation with respect to any matter which directly benefits such member or pertains specifically to any firm or organization with which such member is then associated or has been associated within a period of two years.

"(d) Officers and employees of the Corporation shall be compensated at rates determined by the Board, but not in excess of the rate of level V of the Executive Schedule specified in section 5316 of title 5, United States Code.

"(e) (1) Except as otherwise specifically provided in this title, officers and employees of the Corporation shall not be considered officers or employees, and the Corporation shall not be considered a department, agency, or instrumentality, of the Federal Government.

"(2) Nothing in this title shall be construed as limiting the authority of the Office of Management and Budget to review and submit comments upon the Corporation's annual budget request at the time it is transmitted to the Congress.

"(f) Officers and employees of the Corporation shall be considered officers and employees of the Federal Government for purposes of the following provisions of title 5, United States Code: subchapter I of chapter 81 (relating to compensation for work injuries); chapter 83 (relating to civil service retirement); chapter 87 (relating to life insurance); and chapter 89 (relating to health insurance). The Corporation shall make contributions at the same rates applicable to agencies of the Federal Government under the provisions referred to in this subsection.

"(g) The Corporation and its officers and employees shall be subject to the provisions of section 552 of title 5, United States Code (relating to freedom of information).

#### "POWERS, DUTIES, AND LIMITATIONS

"SEC. 1006. (a) To the extent consistent with the provisions of this title, the Corporation shall exercise the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (except for section 1005(o) of title 29 of the District of Columbia Code). In addition, the Corporation is authorized—

"(1) (A) to provide financial assistance to qualified programs furnishing legal assistance to eligible clients, and to make grants to and contracts with—

"(i) individuals, partnerships, firms, corporations, and nonprofit organizations, and

"(ii) State and local governments (only upon application by an appropriate State or local agency or institution and upon a special determination by the Board that the arrangements to be made by such agency or institution will provide services which will not be provided adequately through non-governmental arrangements),

for the purpose of providing legal assistance to eligible clients under this title, and (B) to make such other grants and contracts as are necessary to carry out the purposes and provisions of this title;

"(2) to accept in the name of the Corporation, and employ or dispose of in furtherance of the purposes of this title, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise; and

"(3) to undertake directly and not by grant or contract, the following activities relating to the delivery of legal assistance—

"(A) research,

"(B) training and technical assistance, and

"(C) to serve as a clearinghouse for information.

"(b) (1) The Corporation shall have authority to insure the compliance of recipients and their employees with the provisions of this title and the rules, regulations, and guidelines promulgated pursuant to this title, and to terminate, after a hearing in



accordance with section 1011, financial support to a recipient which fails to comply.

"(2) If a recipient finds that any of its employees has violated or caused the recipient to violate the provisions of this title or the rules, regulations, and guidelines promulgated pursuant to this title, the recipient shall take appropriate remedial or disciplinary action in accordance with the types of procedures prescribed in the provisions of section 1011.

"(3) The Corporation shall not, under any provision of this title, interfere with any attorney in carrying out his professional responsibilities to his client as established in the Canons of Ethics and the Code of Professional Responsibility of the American Bar Association (referred to collectively in this title as 'professional responsibilities') or abrogate as to attorneys in programs assisted under this title the authority of a State or other jurisdiction to enforce the standards of professional responsibility generally applicable to attorneys in such jurisdiction. The Corporation shall ensure that activities under this title are carried out in a manner consistent with attorneys' professional responsibilities.

"(4) No attorney shall receive any compensation, either directly or indirectly, for the provision of legal assistance under this title unless such attorney is admitted or otherwise authorized by law, rule, or regulation to practice law or provide such assistance in the jurisdiction where such assistance is initiated.

"(5) The Corporation shall insure that (A) no employee of the Corporation or of any recipient (except as permitted by law in connection with such employee's own employment situation), while carrying out legal assistance activities under this title, engage in, or encourage others to engage in, any public demonstration or picketing, boycott, or strike; and (B) no such employee shall, at any time, engage in, or encourage others to engage in, any of the following activities: (i) any rioting or civil disturbance, (ii) any activity which is in violation of an outstanding injunction of any court of competent jurisdiction, (iii) any other illegal activity, or (iv) any intentional identification of the Corporation or any recipient with any political activity prohibited by section 1007(a).

"(6) The Board, within ninety days after its first meeting, shall issue rules and regulations to provide for the enforcement of this paragraph and section 1007(a)(5), which rules shall include, among available remedies, provisions, in accordance with the types of procedures prescribed in the provisions of section 1011, for suspension of legal assistance supported under this title, suspension of any employee of the Corporation or of any employee of any recipient by such recipient, and, after consideration of other remedial measures and after a hearing in accordance with section 1011, the termination of such assistance or employment, as deemed appropriate for the violation in question.

"(6;) In areas where significant numbers of eligible clients speak a language other than English as their principal language, the Corporation shall, to the extent feasible, provide that their principal language is used in the provision of legal assistance to such clients under this title.

"(c) The Corporation shall not itself—

"(1) participate in litigation on behalf of clients other than the Corporation; or

"(2) undertake to influence the passage or defeat of any legislation by the Congress of the United States or by any State or local legislative bodies, except that personnel of the Corporation may testify or make other appropriate communication (A) when formally requested to do so by a legislative body, a committee, or a member thereof, or (B) in connection with legislation or appropriations directly affecting the activities of the Corporation.

"(d)(1) The Corporation shall have no power to issue any shares of stock, or to declare or pay any dividends.

"(2) No part of the income or assets of the Corporation shall inure to the benefit of any director, officer, or employee, except as reasonable compensation for services or reimbursement for expenses.

"(3) Neither the Corporation nor any recipient shall contribute or make available corporate funds or program personnel or equipment to any political party or association, or the campaign of any candidate for public or party office.

"(4) Neither the Corporation nor any recipient shall contribute or make available corporate funds or program personnel or equipment for use in advocating or opposing any ballot measures, initiatives, or referendums. However, an attorney may provide legal advice and representation as an attorney to any eligible client with respect to such client's legal rights.

"(5) No class action suit, class action appeal, or amicus curiae class action may be undertaken, directly or through others, by a staff attorney, except with the express approval of a project director of a recipient in accordance with policies established by the governing body of such recipient.

"(e)(1) Employees of the Corporation or of recipients shall not at any time intentionally identify the Corporation or the recipient with any partisan or nonpartisan political activity associated with a political party or association, or the campaign of any candidate for public or party office.

"(2) Employees of the Corporation shall be deemed to be State or local employees for purposes of chapter 15 of title 5, United States Code.

"(f) If an action is commenced by the Corporation or by a recipient and a final order is entered in favor of the defendant and against the Corporation or a recipient's plaintiff, the court may, upon motion by the defendant and upon a finding by the court that the action was commenced or pursued for the sole purpose of harassment of the defendant or that the Corporation or a recipient's plaintiff maliciously abused legal process, enter an order (which shall be appealable before being made final) awarding reasonable costs and legal fees incurred by the defendant in defense of the action, except when in contravention of a State law, a rule of court, or a statute of general applicability. Any such costs and fees shall be directly paid by the Corporation.

#### "GRANTS AND CONTRACTS

"Sec. 1007. (a) With respect to grants or contracts in connection with the provision of legal assistance to eligible clients under this title, the Corporation shall—

(1) insure the maintenance of the highest quality of service and professional standards, the preservation of attorney-client relationships, and the protection of the integrity of the adversary process from any impairment in furnishing legal assistance to eligible clients;

"(2) (A) establish, in consultation with the Director of the Office of Management and Budget and with the Governors of the several States, maximum income levels (taking into account family size, urban and rural differences, and substantial cost-of-living variations) for individuals eligible for legal assistance under this title;

"(B) establish guidelines to insure that eligibility of clients will be determined by recipients on the basis of factors which include—

"(i) the liquid assets and income level of the client,

"(ii) the fixed debts, medical expenses, and other factors which affect the client's ability to pay,

"(iii) the cost of living in the locality, and

"(iv) such other factors as relate to financial inability to afford legal assistance, which shall include evidence of a prior determination, which shall be a disqualifying factor, that such individual's lack of income results from refusal or unwillingness, without good cause, to seek or accept an employment situation; and

"(C) establish priorities to insure that persons least able to afford legal assistance are given preference in the furnishing of such assistance;

"(3) insure that grants and contracts are made so as to provide the most economical and effective delivery of legal assistance to persons in both urban and rural areas;

"(4) insure that attorneys employed full time in legal assistance activities supported in major part by the Corporation refrain from (A) any compensated outside practice of law, and (B) any uncompensated outside practice of law except as authorized in guidelines promulgated by the Corporation;

"(5) insure that no funds made available to recipients by the Corporation shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State, or local agency, or to undertake to influence the passage or defeat of any legislation by the Congress of the United States, or by any State or local legislative bodies, except where—

"(A) representation by an attorney as an attorney for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities (which shall not be construed to permit a recipient or an attorney to solicit a client for the purpose of making such representation possible, or to solicit a group with respect to matters of general concern to a broad class of persons as distinguished from acting on behalf of any particular client); or

"(B) a governmental agency, a legislative body, a committee, or a member thereof requests personnel of any recipient to make representations thereto;

"(6) insure that all attorneys engaged in legal assistance activities supported in whole or in part by the Corporation refrain, while so engaged, from—

"(A) any political activity, or

"(B) any activity to provide voters or prospective voters with transportation to the polls or provide similar assistance in connection with an election (other than legal advice and representation), or

"(C) any voter registration activity (other than legal advice and representation);

and insure that staff attorneys refrain at any time during the period for which they receive compensation under this title from the activities described in clauses (B) and (C) of this paragraph and from political activities of the type prohibited by section 1502(a) of title 5, United States Code, whether partisan or nonpartisan;

"(7) require recipients to establish guidelines, consistent with regulations promulgated by the Corporation, for a system for review of appeals to insure the efficient utilization of resources and to avoid frivolous appeals (except that such guidelines or regulations shall in no way interfere with attorneys' professional responsibilities);

"(8) insure that recipients solicit the recommendations of the organized bar in the community being served before filling staff attorney positions in any project funded pursuant to this title and give preference in filling such positions to qualified persons who reside in the community to be served;

"(9) insure that every grantee, contractor, or person or entity receiving financial assistance under this title or predecessor authority under this Act which files with the Corporation a timely application for refunding is provided interim funding necessary to maintain its current level of activities un-

til (A) the application for refunding has been approved and funds pursuant thereto received, or (B) the application for refunding has been finally denied in accordance with section 1011 of this Act; and

"(10) insure that all attorneys, while engaged in legal assistance activities supported in whole or in part by the Corporation, refrain from the persistent incitement of litigation and any other activity prohibited by the Canons of Ethics and Code of Professional Responsibility of the American Bar Association, and insure that such attorneys refrain from personal representation for a private fee in any cases in which they were involved while engaged in such legal assistance activities.

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

"(1) to provide legal assistance with respect to any fee-generating case (except in accordance with guidelines promulgated by the Corporation), to provide legal assistance with respect to any criminal proceeding, or to provide legal assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act and the action is brought against an officer of the court or against a law enforcement official for the purpose of challenging the validity of the criminal conviction;

"(2) for any of the political activities prohibited in paragraph (6) of subsection (a) of this section;

"(3) to make grants to or enter into contracts with any private law firm which expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public;

"(4) to provide legal assistance under this title to any unemancipated person of less than eighteen years of age, except (A) with the written request of one of such person's parents or guardians, (B) upon the request of a court of competent jurisdiction, (C) in child abuse cases, custody proceedings, persons in need of supervision (PINS) proceedings, or cases involving the initiation, continuation, or conditions of institutionalization, or (D) where necessary for the protection of such person for the purpose of securing, or preventing the loss of, benefits, or securing, or preventing the loss or imposition of, services under law in cases not involving the child's parent or guardian as a defendant or respondent;

"(5) to support or conduct training programs for the purpose of advocating particular public policies or encouraging political activities, labor or anti-labor activities, boycotts, picketing, strikes, and demonstrations, as distinguished from the dissemination of information about such policies or activities, except that this provision shall not be construed to prohibit the training of attorneys or paralegal personnel necessary to prepare them to provide adequate legal assistance to eligible clients;

"(6) to organize, to assist to organize, or to encourage to organize, or to plan for the creation or formation of, or the structuring of, any organization, association, coalition, alliance, federation, confederation, or any similar entity, except for the provision of legal assistance to eligible clients in accordance with guidelines promulgated by the Corporation;

"(7) to provide legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system;

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

the religious beliefs or moral convictions of such individual or institution; or

"(9) to provide legal assistance with respect to any proceeding or litigation arising out of a violation of the Military Selective Service Act or of desertion from the Armed Forces of the United States.

"(c) In making grants or entering into contracts for legal assistance, the Corporation shall insure that any recipient organized solely for the purpose of providing legal assistance to eligible clients is governed by a body at least 60 percent of which consists of attorneys who are members of the bar of a State in which the legal assistance is to be provided (except that the Corporation (1) shall, upon application, grant waivers to permit a legal services program, supported under section 222(a)(3) of the Economic Opportunity Act of 1964, which on the date of enactment of this title has a majority of persons who are not attorneys on its policy-making board to continue such a non-attorney majority under the provisions of this title, and (2) may grant, pursuant to regulations issued by the Corporation, such a waiver for recipients which, because of the nature of the population they serve, are unable to comply with such requirement) and which include at least one individual eligible to receive legal assistance under this title. Any such attorney, while serving on such board, shall not receive compensation from a recipient.

"(d) The Corporation shall monitor and evaluate and provide for independent evaluations of programs supported in whole or in part under this title to insure that the provisions of this title and the by-laws of the Corporation and applicable rules, regulations, and guidelines promulgated pursuant to this title are carried out.

"(e) The president of the Corporation is authorized to make grants and enter into contracts under this title.

"(f) At least thirty days prior to the approval of any grant application or prior to entering into a contract or prior to the initiation of any other projects, the Corporation shall announce publicly, and shall notify the Governor and the State bar association of any State where legal assistance will thereby be initiated, of such grant, contract, or project. Notification shall include a reasonable description of the grant application or proposed contract or project and request comments and recommendations.

"(g) The Corporation shall provide for comprehensive, independent study of the existing staff-attorney program under this Act and, through the use of appropriate demonstration projects, of alternative and supplemental methods of delivery of legal services to eligible clients, including judicare, vouchers, prepaid legal insurance, and contracts with law firms; and, based upon the results of such study, shall make recommendations to the President and the Congress, not later than two years after the first meeting of the Board, concerning improvements, changes, or alternative methods for the economical and effective delivery of such services.

#### "RECORDS AND REPORTS

"SEC. 1008. (a) The Corporation is authorized to require such reports as it deems necessary from any grantee, contractor, or person or entity receiving financial assistance under this title regarding activities carried out pursuant to this title.

"(b) The Corporation is authorized to prescribe the keeping of records with respect to funds provided by grant or contract and shall have access to such records at all reasonable times for the purpose of insuring compliance with the grant or contract or the terms and conditions upon which financial assistance was provided.

"(c) The Corporation shall publish an annual report which shall be filed by the

Corporation with the President and the Congress.

"(d) Copies of all reports pertinent to the evaluation, inspection, or monitoring of any grantee, contractor, or person or entity receiving financial assistance under this title shall be submitted on a timely basis to such grantee, contractor, or person or entity, and shall be maintained in the principal office of the Corporation for a period of at least five years subsequent to such evaluation, inspection, or monitoring. Such reports shall be available for public inspection during regular business hours, and copies shall be furnished, upon request, to interested parties upon payment of such reasonable fees as the Corporation may establish.

"(e) The Corporation shall afford notice and reasonable opportunity for comment to interested parties prior to issuing rules, regulations, and guidelines, and it shall publish in the Federal Register at least 30 days prior to their effective date all its rules, regulations, guidelines, and instructions.

#### "AUDITS

"SEC. 1009. (a) (1) The accounts of the Corporation shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants who are certified by a regulatory authority of the jurisdiction in which the audit is undertaken.

"(2) The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to any such person.

"(3) The report of the annual audit shall be filed with the General Accounting Office and shall be available for public inspection during business hours at the principal office of the Corporation.

"(b) (1) In addition to the annual audit, the financial transactions of the Corporation for any fiscal year during which Federal funds are available to finance any portion of its operations may be audited by the General Accounting Office in accordance with such rules and regulations as may be prescribed by the Comptroller General of the United States.

"(2) Any such audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers or property belonging to or in use by the Corporation and necessary to facilitate the audit; and full facilities for verifying transactions with the balances and securities held by depositories, fiscal agents, and custodians shall be afforded to such representatives. All such books, accounts, financial records, reports, files, and other papers or property of the Corporation shall remain in the possession and custody of the Corporation.

"(3) A report of such audit shall be made by the Comptroller General to the Congress and to the President, together with such recommendations with respect thereto as he shall deem advisable.

"(c) (1) The Corporation shall conduct, or require each grantee, contractor, or person or entity receiving financial assistance under this title to provide for, an annual financial audit. The report of each such audit shall be maintained for a period of at least five years at the principal office of the Corporation.

"(2) The Corporation shall submit to the Comptroller General of the United States



copies of such reports, and the Comptroller General may, in addition, inspect the books, accounts, financial records, files, and other papers or property belonging to or in use by such grantee, contractor, or person or entity, which relate to the disposition or use of funds received from the Corporation. Such audit reports shall be available for public inspection, during regular business hours, at the principal office of the Corporation.

"(d) Notwithstanding the provisions of this section or section 1008, neither the Corporation nor the Comptroller General shall have access to any reports or records subject to the attorney-client privilege.

#### "FINANCING

"SEC. 1010. (a) There are authorized to be appropriated for the purpose of carrying out the activities of the Corporation, \$90,000,000 for fiscal year 1975, \$100,000,000 for fiscal year 1976, and such sums as may be necessary for fiscal year 1977. The first appropriation may be made available to the Corporation at any time after six or more members of the Board have been appointed and qualified. Appropriations shall be for not more than two fiscal years, and, if for more than one year, shall be paid to the Corporation in annual installments at the beginning of each fiscal year in such amounts as may be specified in appropriation Acts.

"(b) Funds appropriated pursuant to this section shall remain available until expended.

"(c) Non-Federal funds received by the Corporation, and funds received by any recipient from a source other than the Corporation, shall be accounted for and reported as receipts and disbursements separate and distinct from Federal funds; but any funds so received for the provision of legal assistance shall not be expended by recipients for any purpose prohibited by this title, except that this provision shall not be construed to prevent recipients from receiving other public funds or tribal funds (including foundation funds benefiting Indians or Indian tribes) and expending them in accordance with the purposes for which they are provided, or to prevent contracting or making other arrangements with private attorneys, private law firms, or other State or local entities of attorneys, or with legal aid societies having separate public defender programs, for the provision of legal assistance to eligible clients under this title.

#### "SPECIAL LIMITATIONS

"SEC. 1011. The Corporation shall prescribe procedures to insure that—

"(1) financial assistance under this title shall not be suspended unless the grantee, contractor, or person or entity receiving financial assistance under this title has been given reasonable notice and opportunity to show cause why such action should not be taken; and

"(2) financial assistance under this title shall not be terminated, an application for refunding shall not be denied, and a suspension of financial assistance shall not be continued for longer than thirty days, unless the grantee, contractor, or person or entity receiving financial assistance under this title has been afforded reasonable notice and opportunity for a timely, full, and fair hearing.

#### "COORDINATION

"SEC. 1012. The President may direct that appropriate support functions of the Federal Government may be made available to the Corporation in carrying out its activities under this title, to the extent not inconsistent with other applicable law.

#### "RIGHT TO REPEAL, ALTER, OR AMEND

"SEC. 1013. The right to repeal, alter, or amend this title at any time is expressly reserved.

#### "SHORT TITLE

"Sec. 1014. This title may be cited as the 'Legal Services Corporation Act'."

#### TRANSITION PROVISIONS

Sec. 3. (a) Notwithstanding any other provision of law, effective ninety days after the date of the first meeting of the Board of Directors of the Legal Services Corporation established under the Legal Services Corporation Act (title X of the Economic Opportunity Act of 1964, as added by this Act), the Legal Services Corporations shall succeed to all rights of the Federal Government to capital equipment in the possession of legal services programs or activities assisted pursuant to section 222(a)(3), 230, 232, or any other provision of the Economic Opportunity Act of 1964.

(b) Within ninety days after the first meeting of the Board, all assets, liabilities, obligations, property, and records as determined by the Director of the Office of Management and Budget, in consultation with the Director of the Office of Economic Opportunity or the head of any successor authority, to be employed directly or held or used primarily, in connection with any function of the Director of the Office of Economic Opportunity or the head of any successor authority in carrying out legal services activities under the Economic Opportunity Act of 1964, shall be transferred to the Corporation. Personnel transferred to the Corporation from the Office of Economic Opportunity or any successor authority shall be transferred in accordance with applicable laws and regulations, and shall not be reduced in compensation for one year after such transfer, except for cause. The Director of the Office of Economic Opportunity or the head of any successor authority shall take whatever action is necessary and reasonable to seek suitable employment for personnel who do not transfer to the Corporation.

(c) Collective-bargaining agreements in effect on the date of enactment of this Act covering employees transferred to the Corporation shall continue to be recognized by the Corporation until the termination date of such agreements, or until mutually modified by the parties.

(d) (1) Notwithstanding any other provision of law, the Director of the Office of Economic Opportunity or the head of any successor authority shall take such action as may be necessary, in cooperation with the president of the Legal Services Corporation, including the provision (by grant or otherwise) of financial assistance to recipients and the Corporation and the furnishing of services and facilities to the Corporation—

(A) to assist the Corporation in preparing to undertake, and in the initial undertaking of, its responsibilities under this title;

(B) out of appropriations available to him, to make funds available to meet the organizational and administrative expenses of the Corporation;

(C) within ninety days after the first meeting of the Board, to transfer to the Corporation all unexpended balances of funds appropriated for the purpose of carrying out legal services programs and activities under the Economic Opportunity Act of 1964 or successor authority; and

(D) to arrange for the orderly continuation by such Corporation of financial assistance to legal services programs and activities assisted pursuant to the Economic Opportunity Act of 1964 or successor authority.

Whenever the Director of the Office of Economic Opportunity or the head of any successor authority determines that an obligation to provide financial assistance pursuant to any contract or grant for such legal services will extend beyond six months after the date of enactment of this Act, he shall include, in any such contract or grant, provisions to assure that the obligation to pro-

vide such financial assistance may be assumed by the Legal Services Corporation, subject to such modifications of the terms and conditions of such contract or grant as the Corporation determines to be necessary.

(2) Section 222(a)(3) of the Economic Opportunity Act of 1964 is repealed, effective ninety days after the first meeting of the Board of Directors of the Legal Services Corporation.

(e) There are authorized to be appropriated for the fiscal year ending June 30, 1975, such sums as may be necessary for carrying out this section.

(f) Title VI of the Economic Opportunity Act of 1964 is amended by inserting after section 625 thereof the following new section:

#### "INDEPENDENCE OF LEGAL SERVICES CORPORATION

"SEC. 626. Nothing in this Act, except title X, and no reference to this Act unless such reference refers to title X, shall be construed to affect the powers and activities of the Legal Services Corporation."

The SPEAKER. The gentleman from Kentucky (Mr. PERKINS) will be recognized for 1 hour.

#### PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. GROSS. Mr. Speaker, when was this matter brought to the floor of the House?

The SPEAKER. The Chair will state that the Senate had just messaged this matter over to the House; the Chair received the message a few minutes ago, informing the House that the Senate insists on its amendments to the House bill.

Mr. GROSS. Mr. Speaker, is there any information available to the Members of the House concerning the action taken by the other body on this matter?

The SPEAKER. The Chair will state that that is not a parliamentary inquiry.

Mr. PERKINS. If the gentleman will yield, yes, there happens to be.

MOTION TO LAY THE MOTION ON THE TABLE OFFERED BY MR. GROSS

Mr. GROSS. Mr. Speaker, I move to lay the motion on the table.

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

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

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

The SPEAKER. The Chair will count; 162 Members are present, not a quorum.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device; and there were—yeas 136, nays 269, not voting 29, as follows:

[Roll No. 384]

YEAS—136

Abdnor	Ashbrook	Biaggi
Alexander	Bafalis	Blackburn
Annuzio	Bauman	Bowen
Archer	Beard	Brinkley
Arends	Bennett	Broyhill, N.C.
Armstrong	Beyll	Broyhill, Va.

Burgener	Gubser	Nichols	Pritchard	Sisk	Vanik
Burke, Fla.	Haley	Parris	Quile	Skubitz	Veysey
Burleson, Tex.	Hammer-	Passman	Randall	Slack	Vigorito
Butler	schmidt	Poage	Rangel	Smith, Iowa	Waldie
Byron	Hanrahan	Powell, Ohio	Rees	Smith, N.Y.	Walsh
Camp	Harsha	Price, Tex.	Regula	Staggers	Wampler
Casey, Tex.	Hastings	Quillen	Reid	Stanton,	Ware
Chamberlain	Hébert	Rarick	Reuss	J. William	Whalen
Chappell	Henderson	Roberts	Rhodes	Stark	White
Clancy	Hinshaw	Robinson, Va.	Riegle	Steele	Widnall
Clausen,	Hogan	Rogers	Rinaldo	Steelman	Wiggins
Don H.	Holt	Roncalio, N.Y.	Rodino	Steiger, Wis.	Williams
Clawson, Del.	Hosmer	Rousselot	Roe	Stephens	Wilson,
Cochran	Huber	Runnels	Roncalio, Wyo.	Stokes	Charles, Tex.
Collins, Tex.	Hunt	Ruth	Rooney, Pa.	Stratton	Winn
Crane	Hutchinson	Satterfield	Rose	Stuckey	Wolf
Cronin	Jarman	Scherie	Rosenthal	Studds	Wright
Daniel, Dan	Johnson, Colo.	Schneebell	Rosenkowski	Talcott	Wyatt
Daniel, Robert	Jones, N.C.	Sebelius	Roush	Thompson, N.J.	Wyllie
W., Jr.	Jones, Okla.	Shoup	Roy	Thompson, Wis.	Wyman
Davis, Wis.	Kemp	Shuster	Roybal	Thone	Yates
Dennis	Ketchum	Sikes	Ruppe	Thornton	Yatron
Derwinski	King	Snyder	Ryan	Tiernan	Young, Alaska
Devine	Landgrebe	Spence	St Germain	Towell, Nev.	Young, Ga.
Dickinson	Latta	Steed	Sandman	Traxler	Young, Ill.
Downing	Lent	Steiger, Ariz.	Sarasin	Udall	Young, Tex.
Duncan	Lott	Stubblefield	Sarbanes	Ullman	Zablocki
Edwards, Ala.	McCollister	Symms	Selberling	Van Deerlin	Zwack
Evins, Tenn.	McEwen	Taylor, Mo.	Shipley	Vander Jagt	
Fisher	Mahon	Taylor, N.C.	Shriver	Vander Veen	
Flynt	Martin, Nebr.	Teague			
Fountain	Martin, N.C.	Treen			
Frey	Mathis, Ga.	Waggonner			
Froehlich	Mayne	Whitehurst			
Fuqua	Michel	Whitten			
Gettys	Millford	Wilson, Bob			
Goldwater	Miller	Wylder			
Goodling	Minshall, Ohio	Young, Fla.			
Green, Oreg.	Montgomery	Young, S.C.			
Gross	Moorhead,	Zion			
Grover	Calif.				

## NAYS—269

Abzug	Dingell	Lagomarsino
Adams	Donohue	Leggett
Addabbo	Drinan	Lehman
Anderson,	Dulski	Litton
Calif.	du Pont	Long, La.
Anderson, Ill.	Eckhardt	Long, Md.
Andrews, N.C.	Edwards, Calif.	Lujan
Andrews,	Ellberg	Luken
N. Dak.	Erlenborn	McClary
Ashley	Esch	McCloskey
Aspin	Eshleman	McCormack
Badillo	Evans, Colo.	McDade
Barrett	Fascell	McFall
Bell	Findley	McKay
Bergland	Fish	McKinney
Blester	Flood	McSpadden
Bingham	Flowers	Macdonald
Blatnik	Foley	Madden
Boggs	Ford	Madigan
Boland	Forsythe	Mallary
Bolling	Fraser	Mann
Brademas	Frelinghuysen	Maraziti
Bray	Frenzel	Mathias, Calif.
Breaux	Gaydos	Matsunaga
Breckinridge	Gialmo	Mazzoli
Brooks	Gibbons	Meeds
Broomfield	Gilman	Melcher
Brotzman	Ginn	Mezvisinsky
Brown, Calif.	Gonzalez	Mills
Brown, Mich.	Grasso	Minish
Brown, Ohio	Gray	Mink
Buchanan	Green, Pa.	Mitchell, Md.
Burke, Calif.	Gude	Mitchell, N.Y.
Burke, Mass.	Guyer	Moakley
Burlison, Mo.	Hamilton	Mollohan
Burton, John	Hanley	Moorhead, Pa.
Burton, Phillip	Hansen, Idaho	Morgan
Carney, Ohio	Harrington	Mosher
Carter	Hawkins	Moss
Cederberg	Hays	Murphy, Ill.
Chisholm	Hechler, W. Va.	Murphy, N.Y.
Clark	Heinz	Murtha
Cleveland	Helstoski	Natcher
Cohen	Hillis	Nedzi
Collier	Holtzman	Nelsen
Collins, Ill.	Horton	Nix
Conable	Howard	Obey
Conte	Hudnut	O'Brien
Conyers	Hungate	O'Hara
Corman	Ichord	O'Neill
Cotter	Johnson, Calif.	Owens
Coughlin	Johnson, Pa.	Patman
Culver	Jones, Ala.	Patten
Daniels	Jones, Tenn.	Pepper
Dominick V.	Jordan	Perkins
Danielson	Karth	Pettis
Davis, S.C.	Kastenmeyer	Peyser
de la Garza	Kazen	Pickle
Delaney	Kluczynski	Pike
Dellenback	Koch	Podell
Denholm	Kuykendall	Preyer
Dent	Kyros	Price, Ill.

## NOT VOTING—29

Baker	Gunter	Robison, N.Y.
Brasco	Hanna	Rooney, N.Y.
Carey, N.Y.	Hansen, Wash.	Schroeder
Clay	Heckler, Mass.	Stanton,
Conlan	Hicks	James V.
Davis, Ga.	Holifield	Sullivan
Dellums	Landrum	Symington
Diggs	Metcalfe	Wilson,
Dorn	Mizell	Charles H.,
Fulton	Myers	Calif.
Griffiths	Rallsback	

So the motion to table was rejected.

The result of the vote was announced as above recorded.

Mr. PERKINS. Mr. Speaker, on May 16 we sent the Legal Services conference report, after it was adopted, over to the Senate. As I recall, the House acted first. Over there, the conference report was tabled. I do not know the reasons why, but I presume they received word that in all probability the conference report as passed by the House and agreed to by the Senate may not be acceptable to the President of the United States.

So, after the Senate tabled the conference report on Legal Services, they had to resort to the House-passed bill as amended by the Senate, which they took action upon today by a vote of 75 to 18 to send it back to the House.

Mr. Speaker, what we propose to do here when we adopt the previous question on the motion, assuming the previous question is adopted, is to vote on an amendment to the Senate-passed bill which simply adopts the conference report as agreed to by the House on Legal Services—I hope all the Members are following me—minus the backup centers. We take the Green amendment on backup centers lock, stock, and barrel.

The parliamentary situation makes it necessary that we follow this route in order that we may delete the language of the conference report on backup centers in its entirety and adopt the language that the gentlewoman from Oregon (Mrs. GREEN) proposed in this Chamber, and that is exactly what we are doing.

Now I want to say something to my colleagues in connection with the remainder of this conference report. After we agree to the Green amendment, which will be part of the amendment that I am

offering along with the remainder of the conference report on Legal Services as adopted by this Chamber—and I want to say to the Members that in this conference with the Senate, which I think the gentleman from Ohio (Mr. ASHBROOK) and all the Members who constituted that conference will verify, that we upheld the House position all the way through in conference. I never did capitulate myself. I went along only after the gentleman from Ohio (Mr. ASHBROOK) and others agreed, but we are coming back here with the conference report with an amendment which has been agreed to, that the House has already taken action on, that has been thoroughly explained in this Chamber. It is the conference report on Legal Services, amended by the Green amendment, without any other earthly changes at all.

The change in the conference bill relates to who will perform the technical assistance, clearinghouse information, training and research activities that are essential to the proper representation of indigent clients. Under the bill, these functions will be carried out through the Corporation rather than through grant or contract. All other legal assistance activities will be continued as contemplated under the conference bill.

The research, technical assistance, training, and clearinghouse information functions that will be transferred to the Corporation are of extraordinary importance to the Legal Services program. These functions assure that programs involved in providing local, State, and national legal assistance are fully equipped to perform their representation functions. Attorneys in Legal Services offices sometimes need training. They often need technical assistance to improve their efficiency and effectiveness. They need advice and ideas about what Legal Services attorneys are doing elsewhere for their work to be as helpful to their clients as it might be.

The research, technical assistance, training, and clearinghouse information functions will be transferred to the Corporation. We expect the Corporation to do its best to make sure that these activities continue as effectively as possible. Qualified personnel should be hired. They should be properly trained. They should have available to them all of the necessary materials so that the backup activities are carried out in a professional manner.

Early attention to these needs will be needed to insure their satisfaction without hurtful interruptions. Existing contracts and grants will, of course, continue to be honored through their expiration date. We would expect the Corporation to do all that may legally be done to prevent disruption of the crucial backup assistance functions.

Once the Corporation takes over these backup functions, it will have to determine how they can best be provided. This bill does not restrict the Corporation's flexibility in this area. The Corporation may provide all of these services through its central office in Washington or it can provide them through regional and other offices throughout the country. It can hire the necessary qualified personnel,



and it may obtain consultation services from qualified individuals or groups when necessary.

It is important that all of the offices engaged in the provision of legal assistance receive the backup training, research, technical assistance and clearinghouse information services here at issue. In removing the authority of the Corporation to provide such services by grant or contract, the Congress merely changes the location of the function. We do not intend to minimize their importance.

Mr. Speaker, I yield 5 minutes for the purpose of debate to the distinguished gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Speaker, as the gentleman from Kentucky indicated, we now have an opportunity to accept the conference report as if the motion to recommit that was offered by the gentleman from Ohio (Mr. ASHBROOK) had been adopted.

As you recall, when we entered into the debate at that time, the argument was really over the backup centers, and in order that the House position might prevail, the gentleman from Ohio (Mr. ASHBROOK) offered a motion to recommit, which was narrowly defeated, 190 to 183.

By adopting the motion as proposed by the gentleman from Kentucky (Mr. PERKINS), the chairman of the committee, we will then have a conference report with the backup centers removed, as the motion to recommit provided one as the Green amendment provided in the bill when it passed the House.

The action proposed here today would completely restore the language of the Green amendment prohibiting the establishment and operation of so-called backup centers and eliminates other language from the conference report inconsistent with the language of the Green amendment. It is just as though Mr. ASHBROOK's motion had been adopted and the conferees had acceded to that outcome.

Now it is being suggested by some that other language of the conference committee bill would permit the same result as the establishment of backup centers through grants to so-called public interest law firms. That is not accurate. First, as one of the managers on the part of the House I am making it clear that this bill cannot be interpreted to permit the Corporation to make any grant or contract for the purposes and programs carried out under so-called backup centers.

Second, and more important, the language of the bill itself will not permit that interpretation. The only grants or contracts which now can be made are those for the legal advice representation to specific eligible clients—not general causes—having specific need of legal counsel, and not for any general legal research, training, or information service.

Who are the eligible recipients of such grants or contracts? Under section 1006(a)(1) they are "qualified programs furnishing legal assistance to eligible clients" and "individuals, part-

nerships, firms, corporations, and non-profit organizations" and "State and local governments"—but all of this qualified by the requirement that the assistance be "for the purpose providing legal assistance to eligible clients under this title."

There is a further restriction on the type of private law firm with which such arrangements can be made. Section 1007(b)(3) prohibits the use of any funds made available by the Corporation "to make grants to or enter into contracts with any private law firm which expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public." And then such arrangements can only be for the limited purposes described in the act of providing legal assistance to an eligible client, and under all of the prohibitions in the act applying to such assistance.

Admittedly, the House language on "public service law firms" was even stronger as it applied the 50 percent limitation also to litigation "in the collective interests of the poor", as well as "the broad interests of a majority of the public", or both of these in combination. But in any event, no such grant or contract could be made to any law firm of any description for the purposes covered by Mrs. GREEN's amendment. That is the essential point of what we are doing here today.

Mr. Speaker, when this matter was last before us our colleague, JOHN ASHBROOK, a House conferee on this bill, spoke, in part, as follows in defense of his motion:

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

And yet I think what the Gentleman from Minnesota said bears some further elucidation. In the area of backup centers we probably made our major concessions. If I were to assess percentages I would say the House position was probably 80 to 90 percent upheld in most instances and I think this is a good record on most conferences. Yet on the backup centers I think our position at best was 20 to 25 percent upheld.

Mr. Speaker, the motion now before the House would uphold the position of the House on backup centers 100 percent. I do not see how we can ask for anything more on this or any other legislation. Accordingly, I urge that we agree to the motion of Chairman PERKINS and thereby assure an effective and far less controversial method of providing legal services for the poor—of bringing this Nation closer to that great ideal of equal justice under law.

The SPEAKER. The time of the gentleman from Minnesota (Mr. QUIE) has expired.

Mr. PERKINS. Mr. Speaker, I yield 1 additional minute to the gentleman from Minnesota.

Mr. Speaker, will the gentleman yield?

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

Mr. PERKINS. Mr. Speaker, the gentleman from Minnesota has referred to the conference between the House and

the Senate and has in substance stated that the House position was upheld.

I want to ask the gentleman from Minnesota if, as to the remainder of the conference report, outside of the Green amendment, the House conferees all stood together and got concessions from the Senate, practically to the extent that we got the House-passed bill in the conference?

Mr. QUIE. Mr. Speaker, I will say to the chairman of the committee that the essential, important ingredients of the House-passed bill were retained in conference, with the exception of the backup centers, and now we get a chance to obtain even the House-passed provision on the backup centers.

As to the remainder of the bill, I would say the essential house provisions were retained. As the gentleman from Ohio (Mr. ASHBROOK) has indicated, about 80 to 90 percent of the positions taken by the House was retained, I believe.

Mr. PERKINS. Mr. Speaker, I yield 5 minutes, for the purpose of debate only, to the gentleman from Oregon (Mrs. GREEN).

Mrs. GREEN of Oregon. Mr. Speaker, I thank the chairman of the committee.

I would like to take this time in order to pose a few questions, if I may.

When was the House bill on the Legal Services Corporation passed?

Mr. PERKINS. Mr. Speaker, if the gentleman will yield, the House bill was passed some time ago. I do not know the exact date. The gentleman from Wisconsin (Mr. STEIGER), I believe, can tell us.

Mr. STEIGER of Wisconsin. Mr. Speaker, if the gentleman will yield the date was June 21, 1973.

Mrs. GREEN of Oregon. Mr. Speaker may I ask this further question:

When did the Senate take action on this? I am not clear as to what is taking place. Are we taking action today, in reference to the conference report, on the amendment to the Senate bill or on the amendment to the House bill?

Mr. PERKINS. Mr. Speaker, if the gentleman will yield, what we did was this: The Senate and the House acted in 1973, I believe it was. We went to conference with the Senate. We did not go to conference until some time this year.

When the conference report was adopted, we acted here first, and the conference report went over to the Senate and was tabled. At that stage of the game, and under the rules, it was necessary for them to revert back to the House-passed bill, which they had amended. That was the bill which was before them.

So that is what they have sent back to us here today. We are proceeding to take the conference report, as agreed to by the House, on May 16, 1974, with the backup center language deleted, and accept the amendment offered by the gentleman from Oregon which was agreed to in the House, as it was originally agreed to and in its entirety, deleting backup centers.

Mrs. GREEN of Oregon. Mr. Speaker, I thank the gentleman.

I will ask this further question: Before the House could take action this afternoon, the Members of the House had to wait until the Senate had taken action earlier in the day; is that correct?

Mr. PERKINS. The Senate took action earlier in the day.

Mrs. GREEN of Oregon. Mr. Speaker, could the chairman of the committee tell me how long ago it was that the Senate took action?

Mr. PERKINS. Mr. Speaker, I think it was scheduled for 12:30, I will inform the gentleman from Oregon.

Mrs. GREEN of Oregon. They took it up at 12:30?

Mr. PERKINS. Today.

Mrs. GREEN of Oregon. When did they complete action on it, does the gentleman know?

Mr. PERKINS. I do not know.

Mrs. GREEN of Oregon. But it has been within the last 2 or 3 hours?

Mr. PERKINS. Within the last 2 or 3 hours, the gentleman is correct.

Mrs. GREEN of Oregon. Mr. Speaker, will the chairman of the committee tell me this:

Since the House first passed the bill last June, in June of 1973, a little over a year ago, and since this Legal Services Corporation issue is of considerable concern to the Members of the House, as witnessed by the first debate and as witnessed by the arguments in the debate during conference, will the chairman of the committee tell me: What is the reason for the rush this afternoon, that we must act within about an hour or 2 hours after the Senate's action before any of us have had a chance to read or know firsthand what we are being asked to do.

Mr. PERKINS. Mr. Speaker, I will be delighted to answer the gentleman.

First let me state that every aspect of this bill before us now has been thoroughly debated in this Chamber, the conference report, the House bill, everything, and we are trying to dodge having to go to conference when there is nothing really to go to conference on, and this is the simple way to do it.

We are anticipating when this language that the gentleman from Oregon originally suggested is put in with the remainder of the conference report, and that has been agreed to by this Chamber, that the Senate will take the bill that we send over, as amended, and it will go to the President without a conference.

Mrs. GREEN of Oregon. I thank the gentleman from Kentucky for his statement, and now may I repeat my question:

Since, in this instance, we passed this legislation a year ago, in June, and the Senate only completed action on it 2 hours ago, would the gentleman from Kentucky please tell me why it is necessary for us to take action on this, this afternoon before we have had a chance to read it, and know what is in it? What is the rush?

Mr. PERKINS. It has been my viewpoint all the way along that we should act as expeditiously as possible on all legislation in trying to get as much important legislation out of the way as possible.

Mrs. GREEN of Oregon. I understand that, and I really appreciate the expeditious way that this legislation that was passed a year ago in June 1973, is now reaching us. But why, within an hour after the Senate has acted, are we supposed to act without having a chance to examine it?

Mr. PERKINS. Let me say to the gentleman from Oregon that I have never delayed the legislation. I have acted promptly at every opportunity. Just as soon as the Senate passed the bill I stood before the Speaker here and asked the Speaker to appoint conferees, and moved as expeditiously as possible. After we settled the matter in conference then we brought the conference report back.

We have not been derelict in our responsibility.

Mrs. GREEN of Oregon. I accept that statement.

Mr. PERKINS. The delay has been elsewhere.

Mrs. GREEN of Oregon. You just stated for the RECORD that I believe I quote exactly: "We waited on the Senate until today." You just said that. I accept that part as accurate.

The SPEAKER. The time of the gentleman has expired.

Mr. PERKINS. I yield 3 additional minutes to the gentleman from Oregon for the purpose of debate only.

Mrs. GREEN of Oregon. I just do not understand this occasion, where we must act on it this afternoon after the Senate acted on it only 1 hour ago, and why we cannot have a chance to read everything the committee is proposing. Has the chairman had a chance to read the action taken by the Senate?

Mr. PERKINS. Let me say to the gentleman from Oregon that we have so many bills that expired this last June 30, and this is one of them. I would hope that it would be the policy of this Chamber when such legislation has expired to move as expeditiously as possible. I think we are just using good judgment in bringing the bill that the Senate passed today before the Chamber now, and getting as many of these important measures out of the way as we possibly can, and at the earliest possible minute.

Mrs. GREEN of Oregon. I would have to say that since we took action a year ago I cannot really understand the rush in forcing the House to vote within 2 hours after the Senate has acted. None of us has had a chance to read it or study it.

I would ask the gentleman from Kentucky: What is the change that was made in regard to the public interest law firms?

Mr. PERKINS. Let me say to the gentleman that there is nothing in the conference report, the remainder of the language—

Mrs. GREEN of Oregon. I cannot hear the gentleman.

Mr. PERKINS. There is nothing in the conference report, the remainder of it, the language, that will permit the funding of backup centers through the public interest law firms.

Mrs. GREEN of Oregon. Could I repeat the question? Would the Chairman, the gentleman from Kentucky (Mr. PERKINS), tell me what this change was

in the conference in regard to public interest law firms, and is there any additional change since the conference report?

Mr. PERKINS. If any language was changed in the Senate the language will be the same when we adopt the amendment that I am proposing here today as that which passed this House when we adopted the conference report; there will be no change from the language that was in the conference report that passed this House.

Mrs. GREEN of Oregon. But if I may repeat the question, could the chairman tell me first what is the change in the conference report over the House bill in regard to public interest law firms and is there now an additional change. Does the proposed amendment have any potential effect on these?

Mr. PERKINS. I do not think there has been any, myself.

Mrs. GREEN of Oregon. The chairman does not think there is any change in the conference report, and he is the manager.

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

Mrs. GREEN of Oregon. I yield to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding.

There is no change from what Chairman PERKINS is offering.

I think the gentleman asked, "What is the difference between the House-passed bill and the conference report?"

Mrs. GREEN of Oregon. If the gentleman will allow me, my question is, What is the change in the conference report with regard to public interest law groups? The chairman said he does not think there is any change.

Mr. QUIE. If the gentleman will yield, in the conference report from what?

Mrs. GREEN of Oregon. First, the House bill and then the impact of the proposed amendment.

Mr. QUIE. From the House bill. In the conference we dropped the words "... or in the collective interests of the poor, or both; ..." so that it now reads:

to make grants to or enter into contracts with any private law firm which expends 50 percent or more of its resources and time litigating issues in the broad interests of a majority of the public;

So that is a prohibition against any money going for grants and contracts to or with any private law firm expending more than 50 percent of its money in the broad interests of a majority of the public.

The SPEAKER. The time of the gentleman has expired.

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

Mrs. GREEN of Oregon. I thank the gentleman for yielding.

Mr. Speaker, I take this 1 minute to express my strong dismay that when we have a bill of this importance that was passed in the House in June of 1973, and the Senate had to take action on it today before we could act, then we are required under this procedure to vote without really knowing what is in it and



without having a chance to study any impact it may have on other parts of the legislation. If it were a conference report it would have to lay over for 3 days, but under this interesting maneuver, we are required to vote—not even knowing what the Senate did earlier today. If there were some logical explanation for the rush—I might not be critical of the procedure. The House originally voted overwhelmingly not to fund backup centers. The conference committee deleted that provision. Now—after some Senate action this afternoon—we agree to, in effect, reject the conference report and insist on the earlier House language. But we do not know the impact of this change on other parts of the conference—nor the relationship of this to funding public interest law firms. Nor indeed, whether the ultimate result is one huge backup center in Washington, D.C.

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

Mr. PERKINS. I yield 1 minute to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding.

I think that this body ought to know, Mr. Speaker, that we adopted the conference report in this body on May 16. At that time no one raised the question about the public interest law firms. They have had since May 16 of this year up to the present time to read and understand the difference between the House bill and the report. There has been ample opportunity for Members to consider it. There is only one change here, and that is to go back to the House language on backup centers. That is what this body just about voted for, and we are saying that even though a minority wanted to knock out the backup centers, we will now go along with knocking out the backup centers in order to get some agreement on this Legal Services Corporation. So we are not moving, I believe, too fast for the Members to consider it. We have considered it so many times before. There is not one new issue before us today.

Mr. PERKINS. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Speaker, I think it was rather shocking that anyone would oppose this motion on purely technical grounds that this body had not had an opportunity to know what it is voting on. This bill was first introduced in 1971 at the request of President Nixon. He was the one who initiated the request for this bill. After a series of hearings in both Houses, the bill was passed and sent down to the President who vetoed the bill, a much more comprehensive bill, without the prohibitions and limitations in this bill. He vetoed that bill on only one ground, and that is that he felt the President ought to have control of the appointment of the directors of the corporation.

Mr. Speaker, once again, after several years of debate, hearings and floor votes, we have the Legal Services Corporation bill before us. I am afraid that this bill has been so substantially compromised that it does not resemble the kind of leg-

islation that I had hoped for. Nevertheless, after careful consideration, I am convinced that we should vote for the bill. The bill, after all, will assure poor people throughout the country that they can obtain free legal representation on civil matters of great importance to them.

The latest compromise of the Legal Services Corporation bill relates to the research, training, technical assistance and clearinghouse information backup services. Under the latest compromise, these backup functions, to the extent their authority derives from section 1006 (a) (3), will be transferred from the university-based centers to the Corporation—a transfer that I think is wholly inadvisable insofar as these centers have provided the backup services in a highly exemplary fashion. Although the bill requires the continuation of these functions, and although we expect that the Corporation will do its best to provide these services as effectively as possible, I think it is unwise to transfer any functions from the university-based centers that already have the expertise and personnel necessary to perform the backup services.

Our new legislation does not change the fact that the Corporation, as a result of section 1006(c) (1) of the bill, cannot "participate in litigation on behalf of clients other than the Corporation." All such litigation and other legal assistance will be handled by local, State and National legal offices which provide either general legal services or specialized legal assistance. Thus, despite the unfortunate change in the conference bill, top notch legal services will continue to be provided to the poor.

The university-based centers will receive phase-out grants for the research, clearinghouse information, technical assistance, and training work relating to the delivery of legal assistance activities under 1006(a) (3) which will be of sufficient duration so that there is no discontinuation of these important backup services. The Corporation should seek to develop the capacity to perform these backup services as quickly as possible. But, since the hiring of highly qualified Corporation personnel to perform this work will take some time—particularly since such newly hired personnel will have to be trained adequately—it is expected that the current university-based centers will continue work on these backup activities until about half a year after the Corporation board has its first meeting. Then this work will be performed through the Corporation and not through grant or contract under the authority of section 1006(a) (3).

It probably will make sense for the Corporation to perform its backup services under section 1006(a) (3) through numerous offices throughout the country. It probably will want to obtain consultant services from highly qualified persons and groups. But, of course, all of these questions will be up to the Corporation board's sound discretion.

I cannot hide my disappointment about the transfer of the research, clearinghouse information, technical assistance, and training functions authorized

under section 1006(a) (3) from the university-based centers to the Corporation. However, I will vote for this bill and I will urge my colleagues to do likewise. Since local, State and National legal services offices will not be deterred from providing high-quality legal assistance, even where such offices are established to provide legal assistance of a specialized and complicated nature, I believe that we owe the poor the right to get the services contemplated by this bill. Thus, I am hopeful that this compromise bill will pass.

Mrs. CHISHOLM. Mr. Speaker, the Legal Services program was designed not only to assure that the poor had access to an attorney but to assure that the type of services provided the poor were of the same quality as those available to citizens able to afford an attorney. Those who worked within OEO to set up the program, realized early that the local legal services attorney was in vital need of backup assistance. Sometimes this was because of inexperience but all too often it was because of the shortage of resources and manpower necessary to keep current with legislative, administrative, and case law developments relevant to the poor. Unfortunately, local legal services programs are also severely understaffed and plagued with huge caseloads. Backup assistance—such as training of new attorneys, continuing legal education in new developing fields, and specialized research on complex legal problems or the complex Federal programs so vitally affecting the poor—was believed vital and was provided through national programs often affiliated with law schools.

The legislation we are approving today alters the delivery of this backup assistance and research by eliminating the Corporation's authority to provide such services by grant or contract. It is the intent of this legislation, however, that all such backup services continue. Background research and analysis in poverty law specialties, training of attorneys or paraprofessionals, technical assistance in management and delivery, all of these are to be carried on by the Corporation. No legal services program, whether funded to serve clients on a local, State, or even national level, can function without these backup services.

We expect these services to continue unabated while the Corporation determines how best to provide them and we expect the Corporation to evaluate carefully the best approach to use to assure the effective and efficient delivery. The capacity to provide such backup assistance was developed throughout the history of the legal services program and after experimentation with various approaches. The Corporation cannot overlook this experience. It may be, for example, that the Corporation need not create an entire new staff to provide backup. A centralized office in Washington is not the only alternative open and use of the present regional office structure may allow the Corporation to take advantage of the expertise of legal services attorneys presently involved in providing backup services. The transition from grant or contract funding of backup services to a more directly controlled

operation should be orderly and should not precipitously dissipate the expertise and experience built up during the many years the OEO program was in effect.

Nothing in this legislation is designed to limit the Corporation's authority to fund legal services programs designed to provide legal assistance to eligible clients. Litigation, legislative and administrative representation, and appellate practice on behalf of eligible clients and client groups remain. Programs providing such legal assistance must be able to research their own cases, train their own lawyers, coordinate with other programs, and function like law officers in the private sector. Neither does this legislation alter the authority of the Corporation to fund specialized programs serving specific client groups—such as migrants or Indians—or to fund programs or program components specializing in complex litigation or in administrative representation on behalf of eligible clients at the State or national levels. Section 1006(a)(1) provides the Corporation with authorization language to assure funding of legal assistance programs.

Let me reiterate, again, that the local, State or national programs providing such assistance under section 1006(a)(1) will be substantially reduced and undermined if backup services—for example research on complex legal problems, training, and technical assistance—are not provided fully and effectively by the Corporation. We intend these support services to continue in the most professional manner possible.

Mr. MEEDS. Mr. Speaker, the motion that is now before us, which changes the conference bill that we recently passed is designed to affect the so-called backup functions of the Legal Services Corporation. Under this motion, it is contemplated that the Corporation will take over these vital backup functions rather than continuing such activities through grant or contract. Specifically, the functions that we are referring to are research, training, and technical assistance, as well as clearinghouse information services.

All of these functions are currently undertaken by contract or grant through 12 national research centers, and several other national training and technical assistance groups. Insofar as we deem these functions to be vital to the provision of high-quality legal services, it is contemplated that these activities will continue, but not through grants or contracts. Since the Corporation will be a politically insulated body, it will no longer be necessary to provide these services through grant or contract. Rather, at a point when the Corporation is enabled to carry out and supervise these functions directly the new legislation presently before us contemplates that they will be handled by the Corporation.

No interruption of these vital functions is expected. Thus, until the Corporation is fully enabled to handle these functions directly, the current national backup centers will continue to function so that local offices are not subjected to a disruption of vital research, technical assistance, training, and informational

aid. Since it is unlikely that the Corporation will be able to properly handle these functions for about half a year after the Corporation has begun functioning—particularly insofar as the carrying out of these backup activities requires the hiring of expert personnel, the accumulation of appropriate informational materials, and the development of expertise on matters that are extremely complicated—it will be necessary to provide sufficient funds to the current backup centers so that they can continue functioning for at least half a year after the Corporation has had its first board meeting.

When the Corporation assumes the direct responsibility for the backup center activities, as it must under this bill currently before us, it will have substantial discretion as to how those activities are conducted. Thus, if the Corporation wishes to set up one big in-house operation to perform all of the backup activities, it will be permitted to do so. It also will be permitted to set up numerous research centers in different parts of the country if such centers are run as in-house operations. Similarly, if the Corporation finds it useful to purchase consultant services from any person or group that has expertise on such backup matters, then the Corporation will be permitted to do this as well. The main principle, however, that this bill incorporates is that responsibility for the carrying out of backup activities must be kept within the Corporation.

Nothing in this bill contemplates any change with relation to the provisions of legal services under section 1006(a)(1) of the bill. Offices throughout the country still are enabled to provide high-quality legal services for eligible clients, whether the issues litigated concern purely personal, local, State, or National issues. Offices which seek funds solely for the purpose of providing legal assistance to eligible clients should not be affected by the amendment to the conference bill. Only programs which want to provide research, technical assistance, training, and clearinghouse functions will be adversely affected. Thus, this bill will still permit—indeed, will foster—the provision of high-quality legal services to the poor.

Mr. STEIGER of Wisconsin. Mr. Speaker, I rise to speak in favor of the Legal Services Corporation bill that is presently before us. Although I am very much displeased with the recent amendment that has been added to the conference bill, I still think that it is imperative that this bill be passed. Legal services for the poor is an extraordinary important contribution to our system of justice and, as a result, it is important that we pass this bill today.

I would like to focus my remarks on the provision that has been changed from the conference report. That provision relates to the backup services in the Legal Services program: research, technical assistance, training, and clearinghouse information. All of these services heretofore have been provided through grant or contract. But, as a result of this new provision, they will be provided through the Corporation rather than by grant or contract.

This provision should not be interpreted as a retreat from our commitment to provide the finest legal services possible for the poor. Even though backup services are crucial, and even though it is my belief that the backup centers should continue to perform these functions rather than the Corporation, these services will continue to be provided. However, it is the Corporation that will have the responsibility for providing these research, clearinghouse information, technical assistance and training backup services. Moreover, this new provision will not inhibit our local, State, and national legal services offices from providing their clients with excellent legal assistance, regardless whether such offices devote their attention to general or specialized services.

Since we want the research, training, technical assistance, and clearinghouse information activities to continue, it is critical that the Corporation develop the capacity to perform these functions. This will take some time, however, after the Corporation board has its first meeting. Thus, it is expected that phase-out grants will permit the current backup centers to continue their research, training, technical assistance, and clearinghouse information functions until well beyond the Corporation has its first based meeting so that there is no interruption in the provision of these vital functions.

Once the Corporation takes over the responsibility for these backup services, it is expected that it will provide these services in a most effective manner. We have placed no restrictions on the Corporation's provision of these backup services. Therefore, if it wants to run its operations completely in Washington, or if it wants to set up regional and local offices to provide these services, or if it wants to obtain consultant services, the Corporation will be permitted to do so. However, these backup services will be rendered through the Corporation and not through grant or contract.

Since we fully expect the Corporation to undertake these backup functions in an effective manner, and since this change in the conference bill does not affect the provision of legal assistance activities pursuant to section 1006(a)(1), poor people can expect high quality legal services. Local, State, and national legal services offices, whether they provide general and varied services or whether they provide specialized services will continue to represent the indigent in a fine fashion. Since the Corporation is prohibited, under section 1006(c)(1) of the bill, to "participate in litigation on behalf of clients other than the Corporation," the provision of general or specialized legal assistance will be performed exclusively by grant or contract by local, State, and national legal services offices. But, under the new bill, the backup research, technical assistance, training and clearinghouse information functions will be performed through the Corporation and not through contract or grant.

In short, although I am against the change in the Corporation bill, the Legal Services Corporation legislation currently before us is still worthy of our support. I urge all of my colleagues to vote in favor of it.



Mr. PERKINS. Mr. Speaker, I move the previous question on the motion.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

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

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

Mr. PERKINS. 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 265, nays 136, not voting 33, as follows:

[Roll No. 385]

#### YEAS—265

Abzug	Foley	Mollohan
Adams	Ford	Moorhead, Pa.
Addabbo	Forsythe	Morgan
Anderson,	Fraser	Mosher
Calif.	Frelinghuysen	Moss
Anderson, Ill.	Frenzel	Murphy, Ill.
Andrews,	Gaydos	Murphy, N.Y.
N. Dak.	Gialmo	Murtha
Ashley	Gibbons	Natcher
Aspin	Gilman	Nedzi
Badillo	Ginn	Nelsen
Barrett	Gonzalez	Nix
Bell	Grasso	Obey
Bennett	Gray	O'Brien
Bergland	Green, Pa.	O'Hara
Blester	Gude	O'Neill
Bingham	Guyer	Owens
Blatnik	Hamilton	Patten
Boggs	Hanley	Pepper
Boland	Hansen, Idaho	Perkins
Bolling	Harrington	Pettis
Brademas	Hastings	Pickle
Breaux	Hawkins	Pike
Breckinridge	Hechler, W. Va.	Podell
Broomfield	Heckler, Mass.	Price, Ill.
Brotzman	Heinz	Pritchard
Brown, Calif.	Helstoski	Quie
Brown, Mich.	Hicks	Railsback
Brown, Ohio	Hillis	Rangel
Burgener	Holifield	Rees
Burke, Calif.	Holtzman	Regula
Burlison, Mo.	Horton	Reid
Burton, John	Howard	Reuss
Burton, Phillip	Hungate	Riegle
Carney, Ohio	Johnson, Calif.	Rinaldo
Carter	Jones, Ala.	Rodino
Cederberg	Jones, Okla.	Roe
Chisholm	Jones, Tenn.	Roncallo, Wyo.
Clark	Jordan	Rooney, Pa.
Cleveland	Karth	Rose
Cohen	Kastenmeier	Rosenthal
Collier	Kazen	Rostenkowski
Collins, Ill.	Kluczyński	Roush
Conable	Koch	Roy
Conte	Kuykendall	Roybal
Conyers	Kyros	Runnels
Corman	Lagomarsino	Ruppe
Cotter	Leggett	Ryan
Coughlin	Lehman	St Germain
Culver	Litton	Sandman
Daniels,	Long, La.	Sarasin
Dominick V.	Long, Md.	Sarbanes
Danielson	Lujan	Seiberling
Davis, S.C.	Lukens	Shipley
de la Garza	McClary	Shriver
Delaney	McCloskey	Sisk
Dellenback	McCormack	Skubitz
Dellums	McDade	Slack
Denholm	McFall	Smith, Iowa
Dent	McKinney	Smith, N.Y.
Dingell	Madden	Stagers
Donohue	Madigan	Stanton,
Downing	Mallory	J. William
Drinan	Mann	Stark
Dulski	Maraziti	Steelman
du Pont	Mathias, Calif.	Steiger, Wis.
Eckhardt	Matsunaga	Stephens
Edwards, Calif.	Mayne	Stokes
Eilberg	Mazzoli	Stratton
Erlenborn	Meeds	Stuckey
Esch	Melcher	Studds
Eshleman	Mezvisinsky	Sullivan
Evans, Colo.	Mills	Thompson, N.J.
Evans, Tenn.	Minish	Thomson, Wis.
Fascell	Mink	Thone
Findley	Mitchell, Md.	Thornton
Fish	Mitchell, N.Y.	Tiernan
Flood	Mizell	Towell, Nev.
Flowers	Moakley	Traxler

Ullman  
Udall  
Van Deerlin  
Vander Jagt  
Vander Veen  
Vanik  
Vigorito  
Waldie  
Walsh  
Wampler  
Ware  
Whalen

White  
Widnall  
Wiggins  
Williams  
Wilson, Bob  
Wilson,  
Charles H.,  
Calif.  
Wilson,  
Charles, Tex.  
Winn  
Wolf

Wright  
Wyatt  
Wyllie  
Wyman  
Yates  
Yatron  
Young, Alaska  
Young, Ga.  
Young, Tex.  
Zablocki  
Zwach

#### NAYS—136

Abdnor  
Alexander  
Annunzio  
Archer  
Arends  
Armstrong  
Ashbrook  
Bafalis  
Bauman  
Beard  
Bevill  
Blaggi  
Blackburn  
Bowen  
Bray  
Brinkley  
Broyhill, N.C.  
Broyhill, Va.  
Buchanan  
Burke, Fla.  
Burlison, Tex.  
Butler  
Byron  
Camp  
Casey, Tex.  
Chamberlain  
Chappell  
Clancy  
Clausen,  
Don H.  
Clawson, Del.  
Cochran  
Collins, Tex.  
Crane  
Cronin  
Daniel, Dan  
Daniel, Robert  
W., Jr.  
Davis, Wis.  
Dennis  
Derwinski  
Devine  
Dickinson  
Duncan  
Edwards, Ala.  
Fisher  
Flynt

Fountain  
Frey  
Froehlich  
Fuqua  
Gettys  
Goldwater  
Goodling  
Green, Oreg.  
Gross  
Grover  
Gubser  
Haley  
Hammer-  
schmidt  
Hanrahan  
Harsha  
Hays  
Henderson  
Hinsaw  
Hogan  
Holt  
Hosmer  
Huber  
Hudnut  
Hunt  
Hutchinson  
Ichord  
Jarman  
Johnson, Colo.  
Johnson, Pa.  
Jones, N.C.  
Kemp  
Ketchum  
King  
Landgrebe  
Latta  
Lent  
McCollister  
McEwen  
McKay  
Mahon  
Martin, Nebr.  
Martin, N.C.  
Mathis, Ga.  
Michel  
Milford  
Miller

Minshall, Ohio  
Montgomery  
Moorhead,  
Calif.  
Nichols  
Parris  
Passman  
Patman  
Poage  
Powell, Ohio  
Pryor  
Price, Tex.  
Quillen  
Randall  
Rarick  
Rhodes  
Roberts  
Robinson, Va.  
Rogers  
Roncallo, N.Y.  
Rousselot  
Ruth  
Satterfield  
Scherle  
Schneebeli  
Sebelius  
Shoup  
Shuster  
Sikes  
Snyder  
Spence  
Steed  
Steiger, Ariz.  
Stubblefield  
Symms  
Talcott  
Taylor, Mo.  
Taylor, N.C.  
Treen  
Waggonner  
Whitehurst  
Whitten  
Wylder  
Young, Fla.  
Young, S.C.  
Zion

#### NOT VOTING—33

Andrews, N.C.  
Baker  
Brasco  
Brooks  
Burke, Mass.  
Carey, N.Y.  
Clay  
Conlan  
Davis, Ga.  
Diggs  
Dorn  
Fulton

Griffiths  
Gunter  
Hanna  
Hansen, Wash.  
Hébert  
Landrum  
Lott  
McSpadden  
Macdonald  
Metcalfe  
Myers  
Payser

Robison, N.Y.  
Rooney, N.Y.  
Schroeder  
Stanton,  
James V.  
Steele  
Symington  
Teague  
Veysey  
Young, Ill.

So the motion was agreed to.  
The Clerk announced the following pairs.

On this vote:

Mr. Brasco for, with Mr. Hébert against.  
Mr. Young of Illinois for, with Mr. Landrum against.

Mr. Carey of New York for, with Mr. Teague against.

Mr. Brooks for, with Mr. Baker against.  
Mr. James V. Stanton for, with Mr. Conlan against.

Mr. Diggs for, with Mr. Lott against.

Until further notice:

Mr. Rooney of New York with Mr. McSpadden.

Mrs. Schroeder with Mr. Dorn.  
Mr. Clay with Mr. Hanna.  
Mr. Macdonald with Mr. Gunter.  
Mr. Metcalfe with Mr. Myers.  
Mr. Symington with Mr. Steele.  
Mr. Burke of Massachusetts with Mrs. Griffiths.

Mr. Fulton with Mrs. Hansen of Washington.

Mr. Andrews of North Carolina with Mr. Davis of Georgia.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION OFFERED BY MR. PERKINS

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

The clerk read as follows:

Mr. PERKINS moves that the House recede from its disagreement to the amendment of the Senate to the title of the bill (H.R. 7824) and concur therein.

The motion was agreed to.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE

Mr. PERKINS. 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 matter on the motion just agreed to.

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

There was no objection.

#### CONFERENCE REPORT ON H.R. 8217, EXEMPTING FROM DUTY CERTAIN EQUIPMENT AND REPAIRS FOR VESSELS

Mr. ULLMAN submitted the following conference report and statement on the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971:

CONFERENCE REPORT (H. REPT. No. 93-1197)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971, having met, after full and free conference, have been unable to agree.

W. D. MILLS,  
AL ULLMAN,  
JAMES A. BURKE,  
H. T. SCHNEEBELI,  
H. R. COLLIER,

Managers of the Part of the House.

RUSSELL B. LONG,  
HERMAN E. TALMADGE,  
VANCE HARTKE,  
ABRAHAM RUBINOFF,  
WALLACE F. BENNETT,  
CARL T. CURTIS,  
PAUL FANNIN,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8217) to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels

arriving before January 5, 1971, report that the conferees have been unable to agree.

W. D. MILLS,  
AL ULLMAN,  
JAMES A. BURKE,  
H. T. SCHNEEBELI,  
H. R. COLLIER,

*Managers of the Part of the House.*

RUSSELL B. LONG,  
HERMAN E. TALMADGE,  
VANCE HARTKE,  
ABRAHAM RIBICOFF,  
WALLACE F. BENNETT,  
CARL T. CURTIS,  
PAUL FANNIN,

*Managers on the Part of the Senate.*

#### REPORT ON RESOLUTION RELATING TO AMENDMENT TO THE DEFENSE PRODUCTION ACT OF 1950

Mr. MATSUNAGA, from the Committee on Rules, submitted a privileged report (Rept. No. 93-1198), on the resolution (H. Res. 1233) relating to the amendment of the Defense Production Act of 1950, which was referred to the House Calendar and ordered to be printed.

H. RES. 1233

*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. 13044) to amend the Defense Production Act of 1950. 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. 13044, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 3270, 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. 13044 as passed by the House.

#### REPORT ON RESOLUTION RELATING TO FURTHER AMENDMENT AND EXTENSION OF AUTHORITY FOR THE REGULATION OF EXPORTS

Mr. MATSUNAGA, from the Committee on Rules, submitted a privileged report (Rept. No. 93-1199), on the resolution (H. Res. 1234) relating to the further amendment and extension of authority for regulation of exports, which was referred to the House Calendar and ordered to be printed.

H. RES. 1234

*Resolved*, That upon the adoption of this resolution it shall be in order to move, clause 7 of Rule XIII to the contrary notwithstanding, 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. 15264) to further amend and extend the authority for regulation of exports. 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.

#### PERSONAL EXPLANATION

Mr. LANDGREBE. Mr. Speaker, on the vote on the bill just considered, H.R. 15560, I was inadvertently absent from the Chamber at the time of the vote.

Had I been present, I would have voted "no," and I ask that my statement be shown in the RECORD.

#### PERSONAL EXPLANATION

Mr. MIZELL. Mr. Speaker, I ask that the RECORD will show that on the vote on the motion of the gentleman from Iowa (Mr. GROSS) to table the motion offered by the gentleman from Kentucky (Mr. PERKINS) on the legal services legislation, I was absent because the communications system was not working in my office.

I would like the RECORD to show that had I been present, I would have voted "no."

#### PERSONAL EXPLANATION

Mr. CHAMBERLAIN. Mr. Speaker, on Wednesday, July 10, 1974, on rollcall No. 368, I inadvertently pressed the wrong button and was recorded as being present.

I would like the RECORD to show that I intended to vote "aye."

#### WILD AND SCENIC RIVER STUDIES OF THE TONGUE RIVER, WYO.

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

Mr. RONCALIO of Wyoming. Mr. Speaker, today I am introducing legislation to include a portion of the Tongue River in Sheridan County, Wyo., in studies for possible future inclusion in the Wild and Scenic Rivers System.

As a massive energy resource development effort continues to get underway in my State of Wyoming, there is a growing demand for our water and commitment of our streams to meet the needs of coal development and power generation. As these developments move ahead, it is essential that full review and consideration be taken of those streams with unique and particularly scenic qualities before they are radically and possibly irreversibly altered. I believe that we must preserve and protect some of our streams now if we are to retain them in their natural state for the enjoyment and use of future generations and for their contribution in the natural state to their ecosystems.

One such river deserving review before any possible commitment to energy development is the Tongue River in Wyoming. This river has its source in the Big Horn Mountains of North Central Wyoming, flows down through an elk wintering area, through the Tongue River Canyon and finally out of the Big Horn National Forest and onto the plains of the Powder River Basin.

Proposals have been made to construct water storage facilities in the Tongue River Canyon. While there is indeed a tremendous demand for water to be used in the Powder River Basin's coal fields, this unique stream has qualities which should be given due consideration through the studies under the Wild and Scenic Rivers Act for possible future inclusion in protective status under that act. The segment of the stream in the bill which I have introduced is from the juncture of the North and South Forks of the Tongue River to the mouth of the Tongue River Canyon at the boundary of the Big Horn National Forest.

Along this river are winter elk grazing areas which would be inundated by proposed water storage facilities. Development of the river would not only jeopardize this elk herd, but would end the natural setting and nature of this fine free flowing stream. The portion lies entirely within the Big Horn National Forest and largely within a roadless area.

I have received many requests from Sheridan County and from people who have enjoyed the Tongue River in its natural state for fishing and its scenic qualities asking that this legislation be introduced. The Sheridan County Commissioners wrote in a letter dated July 5:

We favor the study of that segment of the river from the forks of both the North and South Tongue Rivers to the mouth of the Tongue River Canyon to determine whether or not it is feasible to have the Tongue River included in the scenic and wild river system.

#### AMENDMENTS TO THE NATIONAL SECURITY ACT OF 1947 WITH REGARD TO THE CENTRAL INTELLIGENCE AGENCY

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

Mr. NEDZI. Mr. Speaker, last week I was joined by Mr. WILLIAM G. BRAY, the ranking member of the House Armed Services Committee, in introducing H.R. 15845, a bill which would amend the National Security Act of 1947 with regard to clarifying the role of the Central Intelligence Agency in our organization for national security. That bill evolved from the extensive inquiry conducted by the Special Intelligence Subcommittee of the House Armed Services Committee into the alleged involvement of the Central Intelligence Agency in the Watergate and Ellsberg matters.

The subcommittee, of which I am chairman, and Mr. BRAY, the ranking member, reported its findings on October 23, 1973, and among other matters concluded that the National Security Act had to be strengthened to assure that the



CIA not engage in activity outlawed by that act, and to discourage any attempts in the executive branch to so use the Agency. The subcommittee uncovered various blatant instances in connection with the Watergate and Ellsberg affairs where White House aides pressured the CIA into involving itself in activities that were clearly improper. In addition, there were White House attempts to use the CIA to divert the FBI investigation of the Watergate breakin, and to provide assistance to Watergate defendants in clear violation of the law.

Furthermore, the subcommittee concluded that it was necessary to reexamine and strengthen the language of the statute which charges the Director of Central Intelligence with responsibility for protecting intelligence sources and methods from unauthorized disclosure. Also troublesome was the fact that there had been associations between former employees of the CIA and the active organization which went beyond purely social contact and appeared to be based on other than administrative matters. Accordingly, it was clear that further examination of such associations was necessary to eliminate such questionable contacts in the future.

Finally, it was also obvious that changes were necessary in the National Security Act of 1947 to make it crystal clear that the mission of the Central Intelligence Agency lies solely in the area of foreign intelligence and that any CIA entanglement in domestic intelligence, law enforcement, internal-security operations or any police-type activity is clearly improper and illegal.

Thus, Mr. Speaker, we have introduced H.R. 15845 as a vehicle for early hearings on these matters and to pinpoint the continuing necessity for vigilant congressional oversight to insure strict compliance with the original intent of Congress in creating the Central Intelligence Agency in 1947 as a vital arm of our organization for national security.

For the information of our colleagues, a Ramseyer treatment of H.R. 15845 follows:

PROPOSED AMENDMENT—NATIONAL SECURITY ACT OF 1947, AS AMENDED

CENTRAL INTELLIGENCE AGENCY

SEC. 102. \* \* \*

(d) For the purpose of coordinating the foreign intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council—

(1) to advise the National Security Council in matters concerning such foreign intelligence activities of the Government departments and agencies as relate to national security;

(2) to make recommendations to the National Security Council for the coordination of such foreign intelligence activities of the departments and agencies of the Government as relate to the national security;

(3) to correlate and evaluate foreign intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: *Provided*, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions:

*Provided further*, That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: *And Provided further*, That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure and pursuant to that responsibility he shall develop appropriate plans, policies, and regulations but such responsibility shall not be construed to authorize the Agency to engage in any activity prohibited by the first proviso of this clause, and any information indicating a violation of such plans, policies and regulations shall be reported to the Attorney General of the United States for appropriate action.

(4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern relating to foreign intelligence activities as the National Security Council determines can be more efficiently accomplished centrally;

(5) to perform such other functions and duties related to foreign intelligence affecting the national security as the National Security Council may from time to time direct and report to the Congress in accordance with such procedures as the Congress may establish.

(e) To the extent recommended by the National Security Council and approved by the President, such intelligence of the departments and agencies of the Government, except as hereinafter provided, relating to the national security shall be open to the inspection of the Director of Central Intelligence, and such intelligence as relates to the national security and is possessed by such departments and other agencies of the Government, except as hereinafter provided, shall be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination: *Provided, however*, That upon the written request of the Director of Central Intelligence, the Director of the Federal Bureau of Investigation shall make available to the Director of Central Intelligence such information for correlation, evaluation, and dissemination as may be essential to the national security.

(f) Effective when the Director first appointed under subsection (a) of this section has taken office—

(1) the National Intelligence Authority (11 Fed. Reg. 1337, 1339, February 5, 1946) shall cease to exist; and

(2) the personnel, property, and records of the Central Intelligence Group are transferred to the Central Intelligence Agency, and such Group shall cease to exist. Any unexpended balances of appropriations, allocations, or other funds available or authorized to be made available for such Group shall be available and shall be authorized to be made available in like manner for expenditure by the Agency.

(g) *Nothing in this or any other Act shall be construed as authorizing the Central Intelligence Agency to engage, directly or indirectly, within the United States, either on its own or in cooperation or conjunction with any other department, agency, organization, or individual in any police or police-type operation or activity, any law enforcement operation or activity, any internal security operation or activity, or any domestic intelligence operation or activity: Provided, however, that nothing in this Act shall be construed to prohibit the Central Intelligence Agency from protecting its installations or conducting personnel investigations of Agency employees and applicants or other individuals granted access to sensitive Agency information; nor from carrying on within the United States activities in support of its foreign intelligence responsibilities; nor from providing information resulting from foreign intelligence activities to those agencies responsible for the matters involved.*

(h) *Transactions between the Agency and former employees, except for purely official matters, are prohibited.*

AMENDMENT TO AGREEMENT FOR COOPERATION WITH GREECE ON NUCLEAR POWER REACTORS

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

Mr. PRICE of Illinois. Mr. Speaker, on July 12, 1974, the Atomic Energy Commission forwarded to the Joint Committee on Atomic Energy, pursuant to section 123c of the Atomic Energy Act of 1954, as amended, a proposed amendment to the Agreement for Cooperation with the Hellenic Republic. The agreement will become effective only when it has lain before the Joint Committee for 30 days, not including periods during which the Congress is in recess for more than 3 days. The 30-day period for the proposed agreement with the Hellenic Republic will expire on August 13, 1974.

The new agreement provides for the following changes, among others:

First, the section dealing with provision of uranium enrichment services no longer constitutes an assurance that such services will be provided. The agreement instead represents an enabling document to allow contracting for such services up to a maximum amount, subject to capacity.

Second, the agreement now allows transfer to the Hellenic Republic of special nuclear material other than U-235, such as U-233 or plutonium.

Third, the ceiling on distribution is now expressed in terms of the amount necessary to fuel power reactors with a total electric capacity of up to 3,000 megawatts. This is equivalent to about 60,000 kilograms of U-235. The previous ceiling was 6 kilograms for research purposes.

Fourth, the term of the agreement is extended to the year 2014.

It should be noted that this amendment is of the type which would undergo strengthened congressional review under the provisions of the joint committee's bill, H.R. 15582, when that bill is enacted into law.

I would also like to point out that the agreement will continue to be subject to IAEA safeguards, pursuant to the Treaty on the Nonproliferation of Nuclear Weapons.

Without objection, I would like to enter into the RECORD a copy of the AEC letter transmitting the agreement. The letter describes the changes in more detail. Copies of the proposed agreement for cooperation are available in the offices of the joint committee.

U.S. ATOMIC ENERGY COMMISSION,  
Washington, D.C., July 12, 1974.

HON. MELVIN PRICE,  
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR MR. PRICE: Pursuant to Section 123c of the Atomic Energy Act of 1954, as amended, copies of the following are submitted with this letter:

a. a proposed superseding "Agreement for Cooperation Between the Government of the

United States of America and the Government of the Hellenic Republic Concerning Civil Uses of Atomic Energy";

b. a letter from the Commission to the President recommending approval of the agreement; and

c. a memorandum from the President containing his determination that its performance will promote and will not constitute an unreasonable risk to the common defense and security and authorizing its execution.

The proposed agreement would supersede the present research type of agreement, which came into force in 1955 and expires in 1974. The basic purpose of the superseding agreement is to establish the framework for long-term supply of enriched uranium for fueling nuclear power reactors in Greece. The agreement's term would be forty years.

The agreement reflects the Commission's revised policy governing the long-term provision of uranium enrichment services, which was adopted in 1971 and which has been reflected in bilateral amendments and agreements negotiated since that time, for example, the Spanish agreement and Korean and Swedish amendments. Pursuant to this policy, the new agreement with Greece would be essentially an enabling document and would no longer represent any kind of supply assurance prior to execution of specific toll enrichment contracts. The agreement also is consistent with the modified Uranium Enrichment Services Criteria published by the Commission on May 9, 1973. Major provisions of the agreement are discussed below.

Article VII of the agreement sets forth the basic, enabling framework for long-term supply of enriched uranium fuel. The Commission would be authorized to enter into toll enrichment contracts for supplying power reactor fuel, subject to the availability of capacity in Commission facilities and within the ceiling quantity established in Article IX of the agreement. Once customers in Greece are ready to contract for a particular quantity, they would compete for access to available Commission enrichment capacity on an equitable basis with the Commission's other customers. Such competition for access to available capacity will, in general, be on a "first come, first served" basis.

Article VII provides for continued supply of U-235 to fuel research and experimental reactors. As in the Korean and Swedish amendments, for example, and in view of the expected commercial use of plutonium as reactor fuel, a new provision has been incorporated (paragraph D) to permit transfers of special nuclear material other than U-235 (i.e., plutonium and U-233) for fueling purposes. The Commission does not plan to be a world supplier of such material, particularly plutonium; rather, reactor operators in Greece would be expected to look to the commercial market to meet needs which arise.

Article VIII sets forth conditions governing material supply from the U.S. and its use within Greece. These are common to other Agreements for Cooperation. For example, an economic or technical justification is required before the Commission will give consideration to the transfer of uranium enriched to more than 20% in U-235. Further, the Commission would participate in any decision as to where fuel reprocessing shall be performed. Regarding special nuclear material produced through the use of U.S. material acquired under the bilateral, such produced material may be transferred to third countries provided that such countries have an appropriate agreement for cooperation with the United States or guarantee the peaceful uses of such material under safeguards acceptable to the U.S. and Greece.

Article IX establishes a ceiling on U-235 transfers for power applications. Under the revised supply policy mentioned earlier, the

U-235 ceiling is merely an upper limit on the amount which may be transferred for power reactor fueling and does not represent an advance allocation of U.S. diffusion plant capacity. Following the approach adopted in other recent amendments and agreements, the ceiling is based on the total megawatts of nuclear power anticipated to be supported, and it covers a program composed of reactor projects for which supply contracts are expected to be executed within the next five years. Since the Commission's policy pursuant to the Uranium Enrichment Services Criteria normally requires that initial deliveries of enriched uranium for first core loadings be contracted for at least eight years in advance of such need, the quantity limitation in the Greek agreement contemplates the execution of contracts calling for initial first core deliveries up to thirteen years in the future. The Greek power program which would be supported by the proposed agreement totals 3,000 megawatts (electric).

Pursuant to Article X, Greece would give guarantees like those given in the present agreement and other Agreements for Cooperation. The "peaceful uses" guarantee extends to material, equipment and devices transferred under the proposed agreement and to produce special nuclear material.

With respect to safeguards, the current Greek agreement calls for application of safeguards of the International Atomic Energy Agency (IAEA) to transfers under the bilateral. Greece has concluded a standard trilateral safeguards agreement with the U.S. and the Agency respecting such transfers. Further, and as Article XII of the agreement recognizes, Greece has concluded a safeguards agreement with the Agency pursuant to the Treaty on the Non-Proliferation of Nuclear Weapons. Accordingly, and with U.S. agreement, the standard trilateral safeguards arrangement has been suspended, and the U.S. has agreed to suspend its bilateral safeguards rights under the Agreement for Cooperation during the time and to the extent it agrees that the need to exercise such rights is satisfied by the IAEA safeguards arrangements indicated in Article XII.

Article XV establishes a term for the agreement of forty years. The forty-year period is considered appropriate in view of the advance contracting requirement noted earlier and the practice of establishing a term for power-type Agreements for Cooperation which encompasses the approximate economic lifetime of nuclear power reactors. For planning purposes, this lifetime is considered to be about thirty years.

The agreement will enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for entry into force.

Sincerely,  
Originally signed by William A. Anders  
for Chairman.

#### AMBASSADOR STEVENSON'S STATEMENT ON THE SEA CONFERENCE IN CARACAS

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

Mr. KYROS. Mr. Speaker, I rise today to comment on the recent speech given by Ambassador John Stevenson for the United States before the plenary session of the Law of the Sea Conference in Caracas. While I am pleased by the apparent change in our State Department's position on the crucial 200-mile fishing limit, I would like to add a note of caution in the midst of the great cries of joy

and jubilation expressed not only by representatives of the fishing industry but also here in Congress.

To be realistic, it must be noted that the conditions under which the United States is accepting the concept of a 200-mile economic zone have already been flatly rejected by many important fishing nations. Surely, our State Department knows this, and I, for one, do not want to see the momentum we have carefully created in support on an interim 200-mile limit dissipated in the face of a seeming shift in U.S. policy which could very possibly be futile and unworkable. We must not be left emptyhanded at the end of the Conference with no bill reported in Congress.

It cannot be denied that Ambassador Stevenson's statement appears to fulfill the demands of the New England and west coast fishing industries, in that foreign vessels would be permitted to fish, on a license basis, only for species which are not considered endangered by the United States. The economic zone would not interfere with navigation rights or freedom of overflight, as in H.R. 9136, the bill many of us have cosponsored. But the dispute-settling mechanism on which our acceptance is conditioned is simply unacceptable—not so much to our own Government as to the governments of the other nations involved. And that fact must not be forgotten or ignored.

While I personally am not opposed to the concept of third-party settlement of disputes, I do know that this controversial condition has caused, and will continue to cause, many States to reject our proposal. Peru has already charged the U.S. position as being a "trojan horse," and many other developing countries have stated that they simply will not accept compulsory mediation of disputes as part of any treaty. By tying our proposal for an economic zone to compulsory settlement of disputes, I fear we may have doomed our position before the conference is half over.

My theory is that the State Department has not, in fact, significantly changed its position from the so-called "species approach," but has simply adopted the terminology of a 200-mile economic zone in order to blunt the heavy congressional pressure in favor of the 200-mile limit. If this is true, then the State Department has succeeded, for Senator MAGNUSON has apparently held up his scheduled markup by the Commerce Committee of the interim 200-mile bill. This bill was supposed to be considered after the July 4 recess, but now it appears that we will have to wait. I want to add that even Ambassador Stevenson is sensitive to the charge that the U.S. position may not be all we expect, since he comments in his speech that our position "is not, as some delegations have implied, an attempt to destroy the essential character of the economic zone—to give its supporters a juridical concept devoid of all substantive content."

My concern over the question of compulsory settlement of disputes is deepened by past experience on this issue. The Soviet Union and Japan, we must re-



member, refused to sign the 1958 "Law of the Sea Convention on Fishing and Conservation of Living Resources of the High Seas," because this treaty called for third-party settlement of disputes by the international court of justice. This Convention could have been crucial in aiding our threatened fisheries since signatory nations could protect their endangered stocks under its provisions. Unfortunately, since the two major fishing nations, Russia and Japan, have never signed the treaty, it is useless. As an added point, I might mention that while this treaty was signed in Geneva in 1958 and came into force for the United States in 1966, only in 1973 did the State Department send implementing legislation to Congress, where it is still pending. So much for quick action on the part of international agreements.

I am, of course, in favor of international negotiations, but our fish simply cannot wait for our diplomats. That is why I continue to support H.R. 9136, which is an interim measure to protect our fish until an international agreement can be made. Once the Law of the Sea Conference is concluded in Vienna, or elsewhere, the bill would be superseded by the treaty. Our fish stocks are renewable, but at the rate foreign fishing is being conducted off our shores right now, we will not have the fish to regenerate by the time an agreement is reached. I want to remind my colleagues that the Soviets alone now catch 50 percent of the fish off New England. This is in addition to depletion by the Germans, French, Spaniards, Japanese, Italians, and others, who are also present in record numbers.

I hope that I am proven wrong on this issue, and that the State Department is really sincere in its desire to help our fishing industry. Based on past experience, however, I can only be skeptical. I am afraid that the apparent shift in the U.S. position was made to take the steam out of the drive in Congress for 200-mile-limit legislation, while not really bringing about a change in the basic U.S. position. Time will tell, but in the meanwhile, I want to strongly urge Congress to continue its serious consideration of the extended fishing jurisdiction bills. Our actions here have already resulted in some modifications in the official U.S. position, and passage of our bill, I am convinced, will yield even more concrete results.

Thank you.

#### REPORT ON MISSING IN ACTION IN SOUTHEAST ASIA

The SPEAKER pro tempore (Mr. RYAN). Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 60 minutes.

#### GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today, and to include extraneous material.

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

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, my remarks this afternoon are not as encouraging as I would have hoped that they would have been. I wish that I could stand here and say that I do have evidence that at least some of our missing servicemen are being held captive. However, I found no such evidence on my recent trip to South Vietnam, Laos, and Thailand, and I feel that I must be truthful to my colleagues, the missing in action families, and the American people, and report that I found little possibility that we will find any of our missing servicemen still alive.

However, I would want to point out that we do not intend to give up any and all efforts to obtain full and factual accounts on each and every missing serviceman. We must continue our efforts in this important matter, and continue to keep the pressure on the Communists' side to live up to the agreements of the Paris Peace Accords. Furthermore, we must continue to press for the right to enter all contested areas so as to recover the remains in order to return them to the United States for proper burial.

Mr. Speaker, I have on the desk in front of me pictures of an American who has been missing in action for over 7 years. I have pictures of the remains that were recovered. I wish the Members, if they have a chance, would come up and look at these pictures.

I also have calendars and reports of the search teams that we have out there, and I would certainly hope that my colleagues will come to the desk because it contains some interesting material.

Mr. Speaker, since I have sent each Member a complete report of my investigation, I will not go into details of it at this time; rather I ask unanimous consent that I may include my report at this point in the RECORD.

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

There was no objection.

The report is as follows:

JULY 9, 1974.

DEAR COLLEAGUE: At the encouragement of the Defense Department and because of my own personal interest, I again went to the Far East during the Fourth of July Recess, this time only to seek information on the missing in action and the bodies of Americans not recovered from Southeast Asia.

I hope that you will be able to take just a few minutes to read this report, as I think that it will help update you on this sad and frustrating situation in which we find ourselves.

#### SOUTHEAST ASIA

There are 1140 Americans classified as missing in action and 1266 who were killed in action but whose bodies have not been recovered from communist zones.

The key to the whole situation is for the communists to let United States or neutral country identification teams go into the communist zones and recover our dead at the crash and grave sites and find out what happened to those who cannot be found in or near aircraft crash sites.

Not only did I meet with our Americans working on the MIA problem in Southeast

Asia, but I also met with leaders of friendly governments in Laos and South Vietnam and with the Viet Cong in Saigon, the communist leaders in Laos (Pathet Lao), the First Counselor of the North Vietnamese Embassy in Laos, and the military attaches of India and Australia.

I asked only two quotations of both the communist and the friendly representatives: First, Do you know of any Americans, military or civilian, classified as MIA who are still alive? Second, When are you going to let American or neutral identification teams go to crash sites and recover remains or determine if the pilot and/or crew got out of the plane? This is what I found out:

#### SOUTH VIETNAM

Ambassador Martin; the US representatives and Republic of Vietnam representatives to the Four Party Joint Military Team (FPJMT); Col. Son, the Provisional Revolutionary Government (Viet Cong) representative to the FPJMT; B/G Ulatoski, Commander of the US Joint Casualty Resolution Center, all stated that they know of no Americans—military or civilian—classified as missing in action who are still being held captive in South Vietnam.

I asked the communists (Viet Cong) in Saigon, "When will you permit identification teams to inspect crash sites and bring home our dead for proper burial?" I was told that recovery of bodies was a little detail and they would not permit Americans to go to the sites. (Under the Paris Accords, we should be permitted to do this.)

Captain Rees, a member of an unarmed US identification team of our Joint Casualty Resolution Center, was murdered in cold blood by the Viet Cong on December 15, 1973, at a crash site in South Vietnam. Under the Paris Accords, we are required to notify the Viet Cong of intended site investigations, which no doubt helped them set up the ambush of Captain Rees's team, of course, since then no American teams have been sent out.

Any mention of Southeast Asia in the Congressional Record is read by the communists. They were quite disturbed by the Huber-Zablocki resolution (H. Con. Res. 271), which passed 374 to 0. The North Vietnamese and Viet Cong sometimes receive information from the Record before our own members of the Four Party Joint Military Team in Saigon.

#### LAOS

I had long talks with the Deputy Prime Minister of the Coalition Government and the Minister of Economics, both communists (Pathet Lao). They were emphatic that the only American alive and held captive in their zone is Mr. Emmet Kay, an American civilian pilot captured after the cease-fire. I was told that he would be released as soon as the prisoner exchange between the Pathet Lao, the Royal Laotian Government, and the North Vietnamese could be worked out.

I met with General Michigan, India Army, who is head of the ICCS, and the Military Attache of the Australian Embassy. They both had only recently visited Sam Neua, Headquarters for the Pathet Lao in Northern Laos, and stated that they knew of no other Americans alive in Laos other than Emmet Kay.

General Vang Pao of the Royal Laotian Army told me he knew of no Americans still alive. He did mention that when he is permitted to go into communist areas, his group would be able to recover two American bodies.

The Deputy Prime Minister said the Pathet Lao would not permit American or other identification teams to go into their zone until the people were better acquainted with the new government and there was peace throughout Laos.

We pointed out in both Laos and Vietnam that time will destroy the crash sites and

make finding the site and recovery of bodies impossible.

Since our government recognizes the new Laotian government, it is my understanding from US A.I.D. officials that the Pathet Lao, as members of the coalition government, would be eligible for US aid. Ambassador Whitehouse assured me, however, that not one nicker of US aid would go into the communist zone of Laos until we had been given an accounting of our missing and have recovered the bodies of our men killed in Laos.

#### NORTH VIETNAM

I requested to go into North Vietnam, but my visa was turned down by them. However, I did meet with the Counselor of the North Vietnamese Embassy in Vientiane, Laos. He stated that there were no Americans still held captive in North Vietnam and that no search and identification teams would be permitted in North Vietnam until there was peace throughout Southeast Asia and the US had withdrawn its 24 thousand soldiers dressed as civilians in South Vietnam.

When the JCRC team went to Hanoi and picked up the bodies of 23 Americans who died in captivity in North Vietnam, there was a 24th body but the North Vietnamese would not release the remains of that American because they said he did not die in captivity.

#### CAMBODIA

The press corps in Saigon gave me pictures and descriptions of the 19 American and third country correspondents who are missing in Cambodia. I gave copies of these brochures to the three communist groups while in Saigon and asked that they give us information on these men. I did not go into Cambodia.

#### SUMMARY

(1) We tried so hard to develop evidence that Americans are still alive in Southeast Asia, other than Emmet Kay, but could not. The only way to be sure is for identification teams to go into the communist zones and search.

(2) I believe that the North Vietnamese have made good records of the American crash sites in North Vietnam, that the Viet Cong have some records, not as complete, and that the Pathet Lao have no records.

(3) The communists are not going to let us search the crash and grave sites until we bring some type of pressure on them. Time works against us since evidence at the sites is very perishable in the tropical environment.

(4) The coalition government in Laos has a fighting chance of working. However, North Vietnam is going to continue fighting in South Vietnam and will not withdraw from Laos, in my opinion.

(5) The South Vietnamese are fighting well and are also giving us good assistance in resolving cases of the missing US personnel that they can get to.

(6) In order ever to have peace in South Vietnam and in all of Southeast Asia, the major powers—Russia, China, and the US—are going to have to reach an agreement on the continued supplying of these Southeast Asian nations with military aid.

(7) As elected officials and individuals, we must intensify and continue the public pressure for a full and factual accounting of MIA's and return of known dead. This appears to be the only tactic that has an effect on the other side.

Sincerely,

GILLESPIE V. MONTGOMERY,  
Member of Congress.

P.S. I have requested a Special Order for Tuesday, July 16, and would urge you to join with me in discussing this important matter and showing that Members of Congress are

vitaly concerned about the plight of our missing servicemen.

Mr. MONTGOMERY. Mr. Speaker, I know there are many Members who are here today who would like to join me in a discussion of this matter. I would also like to thank my colleagues for the letters they have written me on the report that they received from me.

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

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Speaker, I thank the gentleman from Mississippi for yielding to me.

Mr. Speaker, I want to compliment the gentleman in the well for his continued and continuous activity in bringing this matter to the attention of Congress and the American people.

About a year ago I held some ad hoc hearings on the same question. I was confronted with a family who had received the remains of a soldier killed in Vietnam which were entirely different than the physical makeup of the individual who was supposed to have been killed. At that time they said that there was an effort being made to get as complete records on all of the missing in action as possible. I think that the continuing pressure of Congress to keep this matter before the American people is something that we as Members of the Congress have a responsibility to do.

I again compliment the gentleman from Mississippi for his leadership in this matter.

Mr. MONTGOMERY. I thank the gentleman for his comments. I know his interest and the number of trips that he has made to Southeast Asia working in behalf of the missing in action and also those Americans, over 1,200 in number, whose bodies have not been recovered.

We have not brought these bodies back for proper burial because the Communists will not let us go into the territory. Under the Paris accord we are entitled to bring our dead home.

Mr. Speaker, I now yield to the gentleman from New York (Mr. KEMP).

Mr. KEMP. I appreciate the gentleman's yielding.

I, too, should like to join my colleagues on the floor at this time in commending him for bringing to the attention not only of this Congress, but certainly of the American people this extremely important issue. I commend the gentleman in the well for his leadership.

I, too, like many of us in the Chamber, have made trips to Southeast Asia. I would simply make this suggestion to the gentleman in the well. It seems to me that, at a time when we know a great deal about the violations of the Paris Peace Agreement by the Communist North Vietnamese, the worst violation that I can consider of that accord would be the failure of the U.S. Congress to keep the pressure on North Vietnam to comply with the terms of that agreement in recognition of our need to identify the missing in action in Laos, Cambodia, and North Vietnam.

I would ask the gentleman this question: When we talk about pressure, it seems to me that perhaps there are several things that we could do. I, for one, am a great believer that we should not trade with Communist China and Soviet Russia in order to force compliance, perhaps through their efforts on North Vietnam at the Paris peace accord. Does the gentleman have any suggestions to his colleagues as to how else we might bring about compliance by the North Vietnamese?

Mr. MONTGOMERY. I think the North Vietnamese are the key to it. I would say to the gentleman from New York that I think the State Department could move forward probably more than they are moving now and negotiate with Russia and China, if that is the proper term, and other countries of the world to bring pressure on the North Vietnamese to let our identification teams go into North Vietnam, into Laos, into Cambodia, and South Vietnam and go to the crash site. I cannot see any reason why they should not. They signed this agreement—the North Vietnamese did. We signed the agreement, and they have not permitted us to do this. If we could get these identification teams, either American, International Red Cross, or a third country, to go into these countries, we could obtain a more accurate picture of the missing in action and bodies not recovered.

I know of the gentleman's trips to the Far East and his interest in the region. In fact, Father Menegar, in Laos, asked about you when I was there 2 weeks ago. The gentleman from New York has been one of the leaders in the Congress in trying to get a complete accounting on those missing in action. I certainly appreciate the gentleman's interest in this situation.

Mr. KEMP. If the gentleman will yield for just one further comment, let me simply make the further suggestion regarding our efforts that we might consider going to the U.N. Security Council in the absence of compliance by the North Vietnamese. We ought to talk about reducing our funding of the United Nations to possibly force other nations of the world to put pressure on North Vietnam. There are some things we can do, and I would only suggest to the gentleman that I am very grateful for his leadership.

As I said earlier, for us to fail to bring the type of pressure on North Vietnam to identify our missing would be the most serious violation of the Paris peace agreement I can think of.

Mr. MONTGOMERY. I thank the gentleman for his strong remarks.

Mr. Speaker, I now yield to the gentleman from Louisiana (Mrs. Boggs).

Mrs. BOGGS. I thank the gentleman for yielding.

I also want to thank the gentleman for taking this special order and for exercising all the expertise he has in this matter. He has worked on this subject for a long period of time and he has taken various trips in connection with it. I also would like to thank all the Members of



the House for their efforts on behalf of those missing in action and I would like to report to the Members the wonderful consideration and goodness and kindness and prayers and understanding that were exhibited to Peggy Begich and me by the families of those missing in action. I think by whatever means Congress has at its disposal, whether through third person parties or through trade or whatever pressures we can exercise, we should apply pressure and proceed to as expeditiously as possible find out for the families of those missing in action where their people are, what has happened to them, and let those families know as soon as possible.

Mr. MONTGOMERY. I thank the gentlewoman for her remarks. I know she has worked very hard in this area.

This is not a one-person operation, as the gentlewoman knows. It is going to take the work of all the Members. I feel I have done nothing more than any other Member of the Congress, but I do appreciate the kind remarks of the gentlewoman with respect to what we have done in Southeast Asia. This is a team effort and it is going to take a great deal of hard work of a great many Members to get us the information from the Communists and to get them to let us have our investigating teams go in and find out what happened.

Again I would like to thank the wonderful lady and my colleague from Louisiana for participating in this special order and she knows better than anyone else in this room the sadness and frustration accompanying the subject we are discussing today.

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

Mr. MONTGOMERY. I yield to the gentleman from Idaho.

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

I commend the gentleman in the well for continuing his efforts to pour the pressure on and for bringing this to the attention of the American people, and I associate myself with the remarks of the gentleman from New York (Mr. KEMP) on the different ways the United States can apply pressure on this matter.

I met recently with a group of MIA families in Spokane, Wash., residing in northern Idaho and eastern Washington, and I found one of their great disappointments has been the inability of the American Government to negotiate and to obtain missing in action lists for those missing in other countries. I hope we can apply pressure and I feel we can if we have the will to do so in order to bring about the result we need.

Mr. MONTGOMERY. I thank the gentleman for his strong statement.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Speaker, I thank the gentleman for yielding. I would like to add my commendation to the statements already made with respect to the work of the gentleman from Mississippi on this subject and my com-

mendation for his taking this special order.

I spoke with the gentleman and told him before his trip of visits I have had with some of the families of those missing in action in my district in Oklahoma. These are very brave people and they are looking to their Government for continued help in getting the answers they seek.

I think it is important that we have such special orders on this subject as we are having today and that other Members also continue to put pressure on the executive branch to use all channels available to this Government to put pressure on the Communist Government of North Vietnam through Russia or China, and to obtain an accounting for those missing in action. I hope every Member will continue that effort because I fear this issue demands constant reminders and prodding from the Congress. Without this insistence the executive branch and the departments may simply give up in frustration, and this must not be.

Mr. MONTGOMERY. I would like to say to the gentleman it is going to take action by every Member of the Congress to continue to work in this area.

When I was in Saigon visiting with the Four Party Joint Commission made up of the North Vietnamese, the South Vietnamese, the Vietcong and the Americans, the American members commented to me that when they met—the Vietcong would sometimes quote from the CONGRESSIONAL RECORD what some Senator or Member of the House had said, and they had the RECORD quicker than our own people did.

What I am saying is that the Vietcong and the North Vietnamese do read the CONGRESSIONAL RECORD and they will see what is said today.

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

Mr. MONTGOMERY. I yield to the gentleman from Ohio.

Mr. DEVINE. I thank the gentleman for yielding. I would like to point out to the House and to the public generally that the gentleman in the well has proven his dedication in going to Southeast Asia at least annually and sometimes at his own expense.

I know Members of Congress are often criticized for junketing and things like that; but the gentleman in the well, the gentleman from Mississippi, has at his own expense on occasion, and with a sincere humanitarian instinct, demonstrated his concern about the ones missing to their loved ones.

I think this participation today by Members on both sides of the aisle will give some hope to the families of those missing in action, because they write to us that they feel the Government is not recognizing this problem and that Congress is doing nothing, but now they can see we have an interest.

I have a personal interest in this, too, because in 1972 a young man was missing in action, a Capt. Craig Paul from Columbus, Ohio. I happened to have appointed him to the Air Force Academy

a number of years ago and his family, of course, is vitally concerned about this matter.

I commend the gentleman for his efforts in this regard.

Mr. MONTGOMERY. I certainly appreciate the gentleman's remarks. I agree it is not a junket. Sometimes we suffer from the jet lag as such.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I also commend the gentleman in the well for the work he has done both on the Committee on Armed Services and as a Member of Congress in keeping this subject in the public's attention. I have four young men who are still listed missing in action who come from my district, which is a little larger than the average one. The reason for it, of course, is that I have the honor of representing the Wright-Patterson Air Force Base in my congressional district and some of those men have made their homes in our area, although they may originally have come from some place else.

There is in my district, not only among the families of those missing in action and killed in action, but also those whose remains have never been returned, a broadened concern by those who bear arms in the defense of this Nation, and I might say in defense of other nations of the world. It is that point that bothers me in all this.

I think we need, as the gentleman from New York (Mr. KEMP) pointed out, a broader interest by other nations in this very serious situation which sees people in the Far East not honoring the international agreements that have been made, to see that the families of all prisoners of war and all missing in action and all killed in action that have not been returned or not identified are given the satisfaction of knowing what happened.

The problem exists in the Middle East in that if this kind of thing continues in the world, we will have a regression to barbarianism to which none of us, whatever our national heritage, whatever our national lineage we have, can tolerate because all people are united by the family interests of their own children and their parents.

I think it is a tragedy that we are not getting more interest from other nations, in view of the fact in particular that America has donated not only its resources, but its young men to so many other nations of the world in the past in fighting wars. Now that we should have their help, we do not seem to be getting it and the pressure ought to be put on.

I would hope we could get other nations to express their interest as deeply as it is felt in this body of the U.S. Congress about those missing in action.

I commend the gentleman in the well for his interest in this, and for keeping not only national, but worldwide attention, on the subject.

Mr. MONTGOMERY. Mr. Speaker, I appreciate the gentleman's comments. I certainly agree with what he has said.

We do not have a military force in that part of the world, and that is good. We have to have help from other nations to bring about pressure on the North Vietnamese—and I repeat again that they are the key to the situation. After the success Dr. Kissinger has had in other parts of the world, I certainly hope that he would concentrate on trying to bring other countries into involvement and make the North Vietnamese allow us to send these identification teams in and try to find out what happened to the missing in action, and to bring those known bodies back to this country for proper burial.

I have pictures here which show that something must be done right away. Time is against us. It is a hot country over there; the humidity and vegetation is unbelievably heavy. These sites are being covered up more and more each day. I think this is one of the main points we must get across, that is to get the State Department to move to bring these other countries into this situation. This will certainly be worthwhile.

Mr. BROWN of Ohio. It would be particularly helpful if we could get the French, the Russians, and the Chinese, who have particular interests in that part of the world, and perhaps some other nations, to put the pressure on. The French may some day have another war of their own in which they might like some help from this country, and the same might be said for other nations.

Mr. MONTGOMERY. Mr. Speaker, as the gentleman knows, it took the French, after they signed their agreements and reached some type of peace with the North Vietnamese, over 5 years to get back their dead. There were over a thousand recovered, 5 years after the peace agreements had been signed. We do not want this to happen to our country.

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

Mr. MONTGOMERY. Mr. Speaker, I yield to the gentleman from New York. I know he was in Laos and in that part of the world only last year. Several of the leaders of Laos mentioned his name and have asked me to pay their respects to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his comments and for yielding to me. I want to join my colleagues in commending the gentleman from Mississippi for undertaking his recent investigation and for his past efforts in arranging for this special order on behalf of our MIA's.

Mr. Speaker, our action today in setting aside this time to remind the Congress and to remind the Nation of the plight of our missing American servicemen is a ringing affirmation of our Nation's determination to account for every one of these men.

Our direct military involvement in Vietnam has come to an end. We are thankful that we are no longer counting American boys among the dead in Southeast Asia, and that our long-suffering prisoners of war have been reunited with their loved ones. The end of the war and the return of the prisoners will rank

as one of the major achievements of this administration.

But, our concern in Southeast Asia is certainly not inevitably ended as long as thousands of Americans face their daily uncertainty and anxiety. The cause of their uncertainty, of course, is due to their relatives and loved ones who are still missing, still unaccounted for in Southeast Asia even now, more than a year after the signing of the Paris Peace Agreement.

North Vietnam promised openly, before the whole world, to cooperate in accounting for the missing American servicemen. Yet, to date, our search teams have been unable to carry out their operations in Communist held areas due to the danger of ambush. In fact, just last winter, shortly before I visited Laos, an unarmed search team was ambushed on a mission despite the fact that it had given 2 weeks' advance notice to the Communists of its intention to carry out that unarmed search. A young American officer was killed in that ambush.

The treaty commitment that "the parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action"—that portion of the agreement still remains blatantly unfulfilled.

In the 93d Congress I sponsored House Joint Resolution 716, calling for a congressional field investigation into the status of our missing men. In October 1973, I helped arrange a trip to Vietnam for a delegation representing the families of our missing men, and they went to Vientiane, Thailand.

Later, in January of this year, I traveled to Laos to investigate the MIA problem personally. While there, I was informed by General Van Pao that he had information that there were several Americans still being held as prisoners of war, despite the Communists' avowals of having released all of our POW's.

Following my return, I communicated my findings to the House and joined in sponsorship of a House resolution calling for a prohibition on all forms of aid to North Vietnam, the Pathet Lao or the Vietcong until they have fully complied with the provisions of the peace agreements relating to missing in action.

I am pleased that that resolution was adopted.

In total, about 1,156 of our men are still listed as missing in action. It is sad, but true, Mr. Speaker, that little or no progress has been made in the past year toward resolving their questionable status. For this lack of progress the full blame and responsibility must fall on the North Vietnamese, who have callously refused to honor their freely given word and to meet their basic humanitarian obligations.

Mr. Speaker, we have a duty to the families of these brave men, not to leave this part of our history behind until we have accounted for all of their loved ones. We must continue to do everything in our power to focus world attention on this problem, because only indignant

world opinion can force the other side to meet its obligations.

In the interim, we must not falter in our efforts to bring about a full accounting of our missing. We must make it very clear to the entire world that we are deadly serious in this endeavor and that no aid of any sort whatever will be forthcoming from our Nation until we are satisfied that all of the provisions of the peace agreements have been complied with.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for his very forthright statement.

I might say that I spent a great deal of time in Laos talking to both the Communist leaders and our allies with the coalition government and also the American Ambassador. I talked to General Michigan of India, who was head of the ICCS in Laos.

I talked to the Army attaché of the Australian Embassy in Laos.

I talked to the Deputy Prime Minister of the Pathet Lao, and I talked to the Economic Minister of Laos.

I also talked to General Van Pao about those missing in action; I could find no hard evidence of any Americans, both military and civilian, still held captive by the Pathet Lao.

The Communists do say they have an American civilian Emmett Kay, who was forced down in Pathet Lao territory after the accords had been signed. They told me they would release him in the near future. I do not know whether they will or not, but they admit they have him. However, the Communist leaders of the coalition government replied emphatically that they did not have any other American.

The only way to really find out, of course, is to get identification teams into the interior of Laos.

I do know of the gentleman's great interest in this matter, from his trip last year. I thank the gentleman for his comments.

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

If the gentleman will yield further, I would like to stress also that if we have identified 1,100 crash sites, then all that remains to be done is to permit our search teams to go in with some mortars for safety. I am sure that by permitting our search teams to go in and examine these crash sites we will be able to dispel a great deal of uncertainty that still exists.

Mr. Speaker, I thank the gentleman again.

Mr. MONTGOMERY. Mr. Speaker, the gentleman is correct. That is the answer. The key to the matter is to allow our identification teams to go in, and we could thereby clear up a lot of problems that we are now having.

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

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

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

I, too, would like to join in the commendations of the gentleman from Mississippi for bringing this subject to the



attention of the Members of the House.

We were overjoyed a year ago when our POW's returned, but we are now somewhat inclined to forget about the MIA's.

I can think of no subject of more importance to those families of the MIA's than the concern of this Congress. I think, Mr. Speaker, that I really speak for all of the Members of this House when I say that this matter is of equal concern to all of us, whether we be hawk or dove, Republican or a Democrat, Independent or what have you. I think that the Members of the House of Representatives totally express their concern.

Mr. Speaker, I really believe in what the gentleman in the well has expressed, and I certainly hope that the Government of North Vietnam, the Pathet Lao, and the Viet Cong will read the CONGRESSIONAL RECORD. I also hope that the Government of the United States, and the Governments of Soviet Russia and Red China will read this and use détente as a weapon or as a crowbar, so to speak, so that we may indicate our deep concern and may indicate to the whole world our feeling that the Communists have not kept their word.

Mr. Speaker, I wish to commend my friend, the distinguished gentleman from Mississippi, for his continued efforts on behalf of our servicemen listed as missing in action in Southeast Asia and for taking this special order today. I must say that no one can read the report of this recent trip to that area without deep discouragement and anger.

There is one fact concerning our MIA's and the remains of those killed in action which is crystal clear and incontrovertible—the North Vietnamese, Viet Cong and Pathet Lao have a legal and moral obligation to furnish a full accounting for these men, or return their remains to the United States. Article 8B of the Paris Peace Agreements specifically states that the signatories are required to "help each other get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action." Article 5 of the Agreement on the Restoration of Peace and Reconciliation in Laos states—

Each side has the duty to gather information on those missing during the war and report the information to the other side.

The interpretation of these clauses is not subject to doubt.

Now the Communists are placing all sorts of illegal caveats into their compliance with these solemn agreements. They have informed Congressman MONTGOMERY that this is a "little detail," and that no onsite inspections will be permitted until there is peace throughout Southeast Asia and until the people are better acquainted with the new governments. They have reinforced this contention by the coldblooded murder of an unarmed member of a U.S. search team.

So let us name this treacherous behaviour for what it is—a cruel and inhuman violation of a treaty that was entered into in good faith by our Government and with lying on the part of the Communists. And let us reaffirm our belief that the fate of hundreds of Americans is no "little detail" to us.

It may well be, as various officials pointed out to Congressman MONTGOMERY, that there are no Americans left alive in Southeast Asia. But given the fact that the Communists lie about everything else, we cannot be sure until we are allowed to inspect crash sites and make investigations. We have treaty rights that should allow us to do so. And we have the highest moral obligation to these men and to their families to insure that these rights are carried out.

I am delighted that this House has passed House Concurrent Resolution 271, stating that no trade, diplomatic recognition or aid shall be given to the government of North Vietnam or to the Vietcong until they fulfill their obligations and account for our MIA's. But we should do more.

Not only should we continue our official protests to the Communists throughout Southeast Asia, but we should apply all the leverage gained by détente to pressure the Soviet Union and China into aiding our cause. And we shout to the rooftops across the world that the Communists are breaking their agreements and have no reason to be believed in anything they say. The other nations of the world, who are sometimes all too ready to accept Communist propaganda, should have this news repeated to them constantly.

This is not a military matter. It is a humanitarian one. There is not the slightest reason why the Communists should refuse to give information about missing persons, or to allow us to inspect crash sites or carry on investigations, other than cruelty and barbarism. The massive weight of world opinion must be directed against the Communists in Southeast Asia, to force them to honor their obligations. I am pleased to join with my colleague from Mississippi in beginning that campaign today.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for participating in this special order.

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

Mr. MONTGOMERY. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. MURTHA) who is a new Member of the House of Representatives. We hope that the gentleman will be around here a long, long time.

I believe I am correct in this statement: that the gentleman from Pennsylvania is the only Member either of the House of Representatives or of the Senate who has fought in combat in South Vietnam. I know of the gentleman's great concern in this subject, and I know that there are some families of those who are missing in action and also those who were killed in action who are in Washington today, and these families have come from all over the country. They are

in Washington, D.C., watching us and listening to this participation that we are having at this time.

Mr. MURTHA. Mr. Speaker, I thank the gentleman very much.

Mr. Speaker, I want to compliment the gentleman from Mississippi. As a combat veteran, I want to repeat to the Members who are here that I know I complained on the floor recently that I felt that the criticism at home, in and outside Congress, hurt the war effort. I still believe that very strongly.

I think that this type of effort is essential if we want to produce results. The peace treaty agreement is very clear, in that they are to help us identify and find the missing in action. That is crystal clear. As the one gentleman stated—and I think this is very important—they have gone back on their word.

Today, Mr. Speaker, I had the privilege of having lunch with Marsha Kemerer, the wife of Capt. Donald Kemerer, who was shot down over North Vietnam a month after I came back in August of 1967. Their young son, Michael, was also with us. He was 1 year old when Captain Kemerer was shot down.

I want to say that we discussed this matter at great length with Major Robinson, who was the last man in the Air Force who was a prisoner of war. He was a prisoner of war for over 2 years. We discussed the policy of the North Vietnamese; we discussed why they will not allow us to go in or send search teams to go in and find and identify the missing in action.

Major Robinson, who was under the captivity of the North Vietnamese for 2 years, made this statement: He said:

I can't figure it out, and I know the North Vietnamese very well. I feel as an Intelligence Officer I learned something about the North and the South Vietnamese.

But I cannot understand, nor could he, and neither could Marsha Kemerer, understand why they will not allow us to go into North Vietnam and establish and identify what happened. I understand from the report that the gentleman in the well has given us that they have detailed information on exactly all of the sites. Can the gentleman tell me why they will not allow us to go into North Vietnam?

Mr. MONTGOMERY. I have received reliable information that the North Vietnamese have up-to-date, factual, and good information about where the planes crashed, the number that went down in North Vietnam, and where. They have good records in Hanoi. They ought to let us have this information.

The Vietcong, the South Vietnamese Communists, have pretty good records on where the plane crashes occurred, though not as good as the North Vietnamese. I might add that the Pathet Lao in Laos do not have any records at all of the plane crashes, the time they crashed, and the locations. Their records, as I am told, are no good.

But there are some records over there, and I think we are entitled to them.

Mr. MURTHA. I understand they use the excuse that we have an innumerable

number of military personnel acting as advisers in South Vietnam, so I called our State Department and asked them for a breakdown. I would like to submit this for the record, but rather than going through complete details, let me say that we have 4,645 civilian Americans in South Vietnam, of which 265 are military. This is a far cry from the 40,000 that we withdrew very quickly from South Vietnam.

*Civilian and military personnel in South Vietnam (figures as of March 30, 1974)*

CIVILIAN	
U.S. Government Employees:	
State Department.....	137
USIA .....	28
AID .....	471
AID-PASA .....	39
Defense Department.....	936
Total .....	1,611
Contractors associated with U.S. Government:	
AID .....	391
Defense Department.....	2,643
Total .....	3,034
Total civilian.....	4,645
MILITARY	
Defense Department Attaches Office..	50
Marine guards (Embassy).....	215
Total military.....	265
Source: Southeast Asia Desk—Department of State.	

I am asking the question: What is their purpose in keeping this information from the grieving families back here at home? I do not understand why they do not keep their word.

Mr. MONTGOMERY. I do not understand it either, but I certainly do not think the North Vietnamese are going to take their pressures off the South Vietnamese. It is no longer a guerrilla type of war over there; now it is almost a conventional war, tanks against tanks, artillery lined up against artillery, infantry against infantry. I do not understand the North Vietnamese. They seem to be determined to take over South Vietnam, and to take over Southeast Asia.

The gentleman from Pennsylvania (Mr. MURTHA) was over there, and fought in combat over there, and I am sure he knows that the leadership—I am not saying that the people of North Vietnam are like them, but the North Vietnamese leaders are determined to take over the South Vietnamese.

They would not give me a visa to North Vietnam. I think some of our colleagues ought to try to go to Hanoi; maybe they will let certain Members go. But I met in Vientiane Laos Lao with the First Counselor; I am sorry I did not get to meet with the Ambassador from North Vietnam in Vientiane. The First Counselor started off the conversation with me by saying—

We know you have 24,000 American soldiers in civilian clothes in South Vietnam.

Well, the gentleman from Pennsylvania has already pointed out the figure of 265 actually being in uniform.

But, in Vientiane, 6 kilometers from the capital center, and 6 kilometers from

the North Vietnamese Embassy, there are around 250 North Vietnamese prisoners held by the Royal Laotian Government because they have not had an exchange of prisoners yet. Yet the North Vietnamese will not admit that these are North Vietnamese. They say they are soup salesmen from the streets of Saigon. The North Vietnamese prisoners are shouting in prison, because they want to go home to North Vietnam. Yet, no one in the North Vietnam Embassy will admit that any North Vietnamese ever fought in Laos, even though those men are captives waiting to be exchanged and sent back home.

Mr. MURTHA. Mr. Speaker, let me again commend the gentleman in the well, and let me say this: I, too, believe the North Vietnamese read the CONGRESSIONAL RECORD. According to Page Robinson, they certainly knew of the antiwar speeches that were made before. I think it is important that we show unified support and concern for the families of the missing in action. I thank the gentleman.

Mr. MONTGOMERY. That is a very strong point. I thank the gentleman for his comments.

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

Mr. MONTGOMERY. I yield to the gentleman from Indiana.

Mr. LANDGREBE. I thank the gentleman for yielding.

The gentleman, of course, is well aware of my interest, and I am certainly grateful to him for keeping this subject alive.

I might just observe the difference between now and a couple of years ago or 18 months ago, when we had almost all of the Members participating in a special order on this subject. I only wish to observe that the interest is waning. It is really a most unfortunate situation because the heartaches are not waning a bit out there across our country.

Certainly the gentleman was not one of the liberals in this Congress on both sides of the aisle who forced us to withdraw from that area of the world prematurely. This very complex situation is a result of that type of pressure that was put on the administration and the military by the liberals and by both Houses in forcing us to cut and run and to put the control of those missing in action in the hands of the North Vietnamese.

I have tried, myself, repeatedly, for over a year to get passage to Hanoi, and I have not succeeded. I am going to enter in the RECORD a news release which is being published by the distressed families of 13 missing servicemen. It is a very good summary of their feelings.

In conclusion, I wish to ask the question: Is it possible that some of these men are left there and not forgotten by most of us but certainly overlooked because of the preoccupation of this Government, this Congress, with this Watergate situation? After all, the liberal press pays absolutely no attention to this, but they certainly want to get the President who brought our boys home and brought the prisoners home who were available. They certainly are out to get the President, but they certainly do

not show any interest at all in these servicemen who did give their all for their country.

I have expressed on this floor so many times my deep regret of this constant and continued preoccupation with Watergate. Why do we not think seriously about some other things? We do have peace, and we do have prosperity. Really, with concentration, we could get some response on this.

I thank the gentleman from Mississippi again for keeping the flame alive in this House.

Mr. MONTGOMERY. I also would like to thank the gentleman for pointing out these problem areas that we have here in Washington and across the Nation. There is no question but what Watergate has overshadowed this very, very serious situation. I am concerned that many, many Americans do not know that we still have well over 1,200 Americans who have been classified as killed in action and their bodies are buried alongside rice paddies, in jungles, still in their airplanes, and yet in the Far East these people, for what reason I do not know, will not let us go in and bring our dead home and give them proper burial.

Mr. LANDGREBE. If the gentleman will yield further, I would ask permission to insert this release in the RECORD at this time.

**DISTRESSED FAMILIES OF 1,300 MISSING SERVICEMEN LAUNCH NATIONWIDE CAMPAIGN—ASK PUBLIC FOR HELP**

July 17, 1974 . . . The families of 1300 servicemen, Missing in Action in Southeast Asia today announced the initiation of a nationwide campaign to ask the American people to help gain information about their missing men.

"Some of these men have been missing for as long as 10 years. We know that many of them parachuted from planes that went down in areas of North Vietnam, South Vietnam and Laos—but our search teams have not been allowed in these Communist-controlled areas" reported Robert Ammon local campaign coordinator. "We're in limbo—and the uncertainty is impossible to live with", Ammon continued.

The MIA families are asking citizens nationwide to demonstrate their concern about this situation by mailing a few grains of American soil in an envelope to the Ministry of Foreign Affairs in Hanoi.

It is the hope of the families that an overwhelming response by the public in behalf of these missing servicemen will influence the North Vietnamese government to fulfill their agreement to account for these men. "If everyone sends a few grains of American soil to Hanoi to express their concern, our voices could be heard around the world," Ammon commented, "Soil is a natural vehicle of expressed concern because it is genuine, because it is easily obtainable and because it is American" Ammon continued.

Ammon explained, "The campaign is a simple presentation of the facts. The facts are that: (1) 1300 servicemen disappeared in Southeast Asia, (2) with the signing of the Paris Peace Agreement in January, 1973, North Vietnam and the Viet Cong agreed to help account for these men and (3) no information about the men has been received."

Under the Paris Peace Agreement which was signed by North Vietnam, the Viet Cong, South Vietnam and the United States on January 27, 1973, North Vietnam agreed to assume the responsibility for the release and



accounting of all missing and captured Americans throughout Southeast Asia. Article 8B of the Agreement specifically stipulates that all parties to the Agreement will "help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action."

Secretary of State, Henry Kissinger visited North Vietnam in February, 1973 and took 80 files of individuals who the United States had reason to believe had been captured. These particular individuals had been seen being captured or had been seen in some prisoner group. The files gave very detailed circumstances regarding their disappearance. North Vietnamese officials told Kissinger that they would make an immediate investigation. No reply was received.

On June 13, 1973, 90 days after Kissinger's visit, the Democratic Republic of Vietnam and the United States reaffirmed their commitment to implement the January agreement.

A month later, in July, 1973, the U.S. government sent a diplomatic note to the Democratic Republic of Vietnam and its allies protesting the continuing failure of North Vietnam and its allies to fulfill their obligations and calling for prompt action by the Communist side.

It was 8 months later, in March of 1974, that Hanoi responded by returning 23 bodies of POW's who were reported to have died in captivity.

"It appears to us that the government has not done anything about North Vietnam's lack of compliance with the Paris Peace Agreement since the diplomatic note of July 1973" said Ammon. "The only thing they have told us since then is that the government is 'pressing through diplomatic channels' to get information about our men" Ammon added.

The Department of Defense began reclassifying the status of these 1300 men in April of 1973 from Missing in Action to Killed in Action. But family members immediately protested that the reclassifications were being done without sufficient evidence and in July 1973, a group of family members were successful in obtaining an injunction against the Department of Defense to halt further MIA reclassifications. Ultimately a Federal Court in New York ruled that Code 555 and 556 by which the Department of Defense had been reclassifying MIAs was unconstitutional.

Following the return of the bodies of 23 American prisoners in March 1974, revisions were made in the Department of Defense Reclassification Codes and families are again receiving notices to appear at hearings for status changes.

A resolution calling for the Secretary of Defense to halt further reclassification of Missing in Action servicemen is before the U.S. House of Representatives.

"The situation regarding these 1300 men is one of the atrocities of the Vietnam conflict. There is little question that it has been conveniently overlooked by both North Vietnam and our government" stated Robert N. Mallardi, a national campaign committee member.

"Back in 1970 when the lid was lifted from the POW/MIA issue and millions expressed their concern, Hanoi responded. If the American people, indeed the people the world over, would again rally behind us and our effort to find out what happened to these 1300, then we can get a response. But we must let Hanoi know that we think it's important

that these men be accounted for . . . and we need help" Mallardi said.

"We believe that the people of this country care about these men and we're counting on their support in resolving this issue. Together, we can be sure that these men are not forgotten," Ammon commented.

The national campaign theme is "We Think It's Important" and it is being supported by public service radio, TV and outdoor media. Families are asking that envelopes containing a small amount of soil (and securely sealed with tape) be addressed to: Ministry of Foreign Affairs, DRV, Hanoi, North Vietnam. Those wishing to volunteer assistance or contribute tax-deductible financial support should contact: Robert E. Ammon, 1303 Burlington, Muncie, Ind. 47302, Telephone 317-284-6785.

Mr. MONTGOMERY. I thank the gentleman.

Mr. Speaker, I now yield to my colleague from Mississippi (Mr. COCHRAN).

Mr. COCHRAN. Mr. Speaker, I have remained on the floor today to express my personal thanks and the thanks and appreciation of many concerned citizens and, of course, the families of missing in action in my congressional district to the gentleman in the well for the immense amount of work he has done to help find out what the true facts are concerning our missing in action.

This is an area that troubles all of us quite deeply. Many of us have close personal friends who are classified as missing in action. I want to express to my good friend and colleague, the gentleman from Mississippi, our sincere appreciation for all he has done in this effort. I want to assure him, Mr. Speaker, of my continued support in the effort he has begun and continues to make to obtain an accurate accounting of our missing in action and to assure us that those who may still be alive in Southeast Asia are brought home and that we may recover the remains of those who have died.

Mr. MONTGOMERY. I thank the gentleman for staying and participating today in this special order. Because the gentleman is from my State I know of his great interest in those missing in action and those killed in action and those whose bodies have not been recovered. I know in the time the gentleman has been here in the Congress that whenever the families in Mississippi have called on him he has been right ready to help and I know he will continue to stand ready.

Mr. COCHRAN. I thank the gentleman for his remarks.

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

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

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

I particularly appreciate that the gentleman from Mississippi has taken this special order on this vitally important subject which unfortunately, as has already been indicated this evening, is not receiving the kind of attention in the media that I think is so clearly warranted, particularly when one considers the lingering anguish and grief

and heartache of so many hundreds of American families, and perhaps thousands of Americans counting the relatives who still have unanswered questions with respect to their loved ones missing in action.

I think the gentleman from Mississippi is to be commended as being almost the stature of Bob Hope in his commitment to the American troops abroad inasmuch as the gentleman from Mississippi has consistently maintained an interest here and has inconvenienced himself many, many times in making those trips to Southeast Asia. He has demonstrated again that commitment as he has demonstrated it in the past by going over now to finish the work that still remains.

It is in connection with his unfinished work that I would like to comment just briefly. I think, as the gentleman has so well indicated and as we have heard from our other colleagues this evening, that there is legitimate concern over the duplicity and lack of honor shown by the Government of North Vietnam in meeting the solemn obligations that it took when the ceasefire was negotiated. But I think in this same connection that we here in the United States must recognize that we too took on some solemn obligations at the time that ceasefire was negotiated and that our work is not yet finished in Southeast Asia, and that we are running the risk of dishonoring the portion of the obligation we made in the ceasefire when by action in the Congress of the United States we contemplate slashing the economic and military assistance to South Vietnam that we pledged and in fact that contemplated the one-for-one replacement of military hardware which is already in jeopardy.

I think many people of our land, when they think of the anguish about the money we are spending over there and the tax levels are justifiably concerned, and it is very easy to look over the budget and say that any money sent to South Vietnam is a waste. But I do not think those people fully appreciate the money we have to spend there to try to avoid making a mockery of the 146,000 American lives spent there, not to mention the maimed who came back from that conflict, plus the investment of American treasure which was an investment the people of this country made because of their historic commitment to try to extend a helping hand to those people who wish to live free from Communist domination.

I think it is important for us to recognize that to talk about walking away from that commitment violates the pledge we made not only to the cease-fire, and also runs the very great risk that Winston Churchill tried to point out to the people of Europe when they turned their backs on the people of Czechoslovakia on the assumption they could throw them, in effect, to the wolves to pacify the ravenous appetite of tyranny.

It is through the kind of continuing commitment that the gentleman from

Mississippi has shown his constancy, his fidelity, to what to me is a sacred trust that all of us in this great country are committed to that warrants the special commendation that I pay him at this time.

I would only conclude by saying that in connection with dramatizing and publicizing the need to try to get the North Vietnamese to honor this particular part of the cease-fire, that as the gentleman from Indiana and I have observed this evening, and our other colleagues, we have a virtually empty press gallery. We cannot get the story told entirely on the floor, as the gentleman from Mississippi would agree. We can only hope the North Vietnamese will read these things and understand the importance of the North Vietnamese honoring this commitment.

On the other hand, it is important to the American people to recognize its on-going commitment. It is through generating public pressure, as the gentleman from Mississippi is trying to do, that might produce fruitful results.

We just recently, as many will note, had demonstrators down here that we have heard from for the last 7 or 8 years, the very people that our good friends from Pennsylvania said did their utmost to undermine our commitment to South Vietnam. All the time we have been there, they have been swarming all over this hill. They have had coverage on the radio, they have had coverage on television and in the newspapers and they have put on a very great pressure campaign. They have been down at the White House maintaining an on-going political swarm to scuttle what investment we have made in Southeast Asia. They have received ample coverage; but I feel, unfortunately, that the media will be generous if they give a passing footnote to this special order that the distinguished gentleman from Mississippi has taken. I just want to commend him for his supreme patriotism, devotion, and humanitarian concern for all those American families whose sons paid the last full measure of devotion.

There has been much discussion in the Congress and elsewhere in the American society in recent days with regard to the shortcomings of the Government of South Vietnam.

Those who have pursued this line of argument have set forth the thesis that the Government of South Vietnam is not an ideal democracy and that, therefore, all U.S. aid and assistance to it should cease.

That the Government of South Vietnam, which has been under aggressive Communist attack for more than 20 years, is not a typical, Western-style democracy, all would admit.

It is equally clear, however, that the South Vietnamese Government has made significant advances and is more of a democracy than almost any other country in that part of the world.

Elections were held in South Vietnam on July 14, while elections have never been held in North Vietnam, a fact which seems to be of little consequence to such critics of U.S. policy as the American

Friends Service Committee and the National Council of Churches.

Of equal insignificance to such critics is the fact that the Vietcong and their North Vietnamese allies did everything possible to disrupt that election. A Reuters report from Saigon appearing in The New York Times of July 15, 1974, states the following:

Fourteen persons were killed, 67 were wounded and three are missing after Communist shellings around polling stations today during South Vietnam's local council elections, Interior Ministry officials said. Almost all the casualties were civilians.

The Reuters dispatch notes that:

Efforts to disrupt the elections were much increased in several areas over those in last year's Senate elections.

The fact is that although there is much discussion about "peace" in Vietnam, such "peace" exists only in rhetoric.

Since the cease-fire went into effect, Communist terrorist acts against the people of South Vietnam are estimated at 8,785 incidents as of November 1, 1973, an average of 973 cases per month or 32 cases a day. Their attacks are totally indiscriminate. New York Times Saigon bureau chief, James Markham, notes that:

Viet Cong units have almost regularly been dropping mortars on several district capitals, occasionally opening fire on farmers and other civilians in government held areas, and lately attacking village and hamlet offices.

Article 7 of the Paris agreement forbids the "introduction of troops military advisers and military personnel . . . into South Vietnam." Since the day the cease-fire went into effect, the Communists have brought 100,000 additional North Vietnamese troops into the South, in addition to the 300,000 they had there already—adding up to more troops than they had for their 1972 offensive.

In addition to the troops, the Communists have brought in 600 tanks and 600 artillery pieces of all types and doubled their antiaircraft capabilities. They have also constructed and improved 12 airfields inside South Vietnam, have extended oil pipelines from Communist China to the northern sector of the demilitarized zone, and opened up a network of strategic roads coming from Cambodia and Laos.

Article 18(c) of the Paris agreement provides that the South Vietnamese Government and the Vietcong will facilitate the operation of the International Control Commission teams. Between February 28 and March 8, 1973—to cite only one recorded period—a total of 10 helicopters making runs for the ICCS were fired on by Communist gunners.

One shooting resulted in the deaths of nine passengers and crew including four ICCS workers and, ironically, two Vietcong officials. Shellings by the Communists have caused the evacuation of an ICCS headquarters in Tri Ton, Chau Duc province. The Communists have also prevented the ICCS from operating in four of the five Vietcong controlled areas stipulated by the Paris accords.

Discussing the Vietnam "peace," Dieter

Cycon, writing in the West German newspaper, Die Welt, declared that,

Over the past year some 60,000 people have been killed on both sides of the cease-fire lines. This is not much less than in times open warfare, and little better was to be expected . . . Not for a moment did the Communists consider withdrawing their troops from the supply-line regions of Cambodia and Laos as required by the terms of the treaty.

Mr. Cycon notes what many in our own country hesitate to admit:

The aim of the agreement, when all is said and done, was not to bring peace but to enable the United States to disengage from Vietnam.

While critics in this country call for an end to aid and assistance to the Government of South Vietnam, they have totally overlooked the terror which has been aimed at the South. Not one word of criticism has been expressed by such individuals and groups of the actions of the North Vietnamese and the Vietcong.

Many here in the Congress who support and are supported by organized labor, for example, would be advised to consider the substance of a report by officials of the Vietnamese Confederation of Labor, South Vietnam's trade union movement, to AFL-CIO leaders. This report stated that,

The long struggle for control of the South Vietnamese people is entering a new and important phase, full of uncertainties and difficulties. The North Vietnamese and the Viet Cong are stepping up their terror activities, including the assassination of union officials, village and hamlet leaders.

CVT President Tran Quoc Buu points out that since the cease-fire went into effect, more than a dozen labor leaders, including Can Van Nang, a vice president of the strong national federation of tenant farmers, had been "brutally assassinated." Can Van Nang was killed in Communist terrorist action in Van Binh province.

The fact that American prisoners of war have not yet been accounted for by the North Vietnamese also seems to stir little concern on the part of those who are the harshest critics of the South Vietnamese Government.

Of the 1,300 U.S. servicemen who are missing in action, 53 were officially carried by the North Vietnamese as prisoners of war. Today Hanoi refuses to discuss their whereabouts.

Discussing this situation, Rod Norberg, an official of Youth Concerned for the 1,300 Missing in Action, states that:

It probably is a safe assumption that most of these men, regrettably, are dead. But I think it only fair that the wives, the mothers, the fathers, the relatives and friends of those who have died, be so informed. I can think of nothing crueler than to have to go to bed every night wondering about my brother, or my son, whatever the case might be.

Instead of concern about these missing Americans, instead of a harsh condemnation against Vietcong and North Vietnamese acts of terror and aggression, we hear the most fanciful charges against



the Government of South Vietnam, charges with no basis in fact.

Jane Fonda, for example, denies that the North Vietnamese have tortured American prisoners but declares, with no evidence whatever, that South Vietnam harbors "202,000 political prisoners."

The U.S. Embassy in Saigon undertook an exhaustive and painstaking analysis of all available sources, including the personal knowledge of U.S. police advisers who have been on the scene until early 1973. The results of this official U.S. Embassy survey cover every penal institution in South Vietnam, from the four national prisons and 35 provincial jails to local police lockups where suspected criminals are held for up to 5 days before the disposition of their cases. The Embassy discovered that the total capacity of South Vietnam's prison and detention system was only 51,941 and came to the "firm conclusion" that civilian prisoners of all types amounted to 35,139. The embassy found no evidence whatsoever that large numbers of persons had been jailed solely for their political opposition to the government.

An example of the false double standard used by critics of our commitment to South Vietnam is found in a Playboy magazine interview with Miss Fonda.

The interviewer asked:

Miss Fonda, wouldn't your message be more effective if, for example, while denouncing the inequity of the Saigon regime, you acknowledged that the Viet Cong and the North Vietnamese haven't been entirely innocent of cruelty and repression?

Jane Fonda's response was simple:

I'm weary of the thinking that says there are two sides to every question. There aren't.

When asked,

Wouldn't you concede . . . that North Vietnam as well as South Vietnam has suppressed dissent and imprisoned its political enemies?

Miss Fonda replied:

I don't know. I don't think so. But I was there only two weeks and didn't see prisons. I don't pretend to know everything about the situation in North Vietnam. I can only tell you what I felt.

Thus, Miss Fonda, who has been to Hanoi, "feels" there are no political prisoners and the same Miss Fonda, who has not visited prisons or anything else in the South, not only "feels" that there are political prisoners, but even knows the number—202,000.

It is high time that we demanded that the North Vietnamese and the Vietcong accounted for all Americans missing in action. It is high time that we condemned the repeated violations of the cease-fire engaged in by the North Vietnamese and the Vietcong. It is necessary that we not abandon the Government of South Vietnam, in defense of whose freedom so many American lives have been lost.

To abandon an ally at this time would be to declare that all of those lives were lost in vain and, in addition, would hold open to serious question all other American commitments in the world.

The South Vietnamese are still being

subjected to a brutal assault upon their sovereignty and territorial integrity from the Vietcong and the North Vietnamese. To abandon an ally at such a time of need would be to turn our backs upon the principles which have made our country an honored and trusted friend and defender of freedom. Such an action would not result in peace but in a world in which aggressors believe that they have been given a free hand. In this instance, the moral position of fulfilling our commitments and the policy which will lead most directly to peace and stability is the same.

Mr. MONTGOMERY. Mr. Speaker, I would like to commend the gentleman for his outstanding and meaningful statement. First, I think the press should have quite an interest in this. When I got to Saigon I was given brochures on 19 American and third nation correspondents classified as missing in action in South Vietnam and Cambodia. Some of their own people there are not accounted for.

We did notify the press today of this special order.

In talking about military aid to South Vietnam, if we walk away and stop military aid, there is no way the South Vietnamese can make it. I can tell my colleagues that by withholding military aid from the South Vietnamese it becomes even more difficult for the South Vietnamese to repel the North Vietnamese advances. The South Vietnamese have changed their tactics, because we have cut funds to support their military program. In fact, as some may recall, in the 1973 or 1974 supplemental we did not give funds to South Vietnam for military supplies. This raised their casualty list. They had to change the type of warfare they were fighting, because of the military aid cutback.

It raised their casualty lists by 20 percent, over the previous year. So, what we do in Congress on military aid, which the gentleman pointed out, does have an effect. In fact, as we reduce the aid, it raises the casualty lists of the South Vietnamese.

The South Vietnamese have done a good job, in defending their country. They cooperate with us and go out to these air crash sites even though they are in Communist areas.

Mr. Speaker, I thank the gentleman for participating in this discussion.

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

Mr. MONTGOMERY. I am happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for yielding to me. First of all, I am terribly grateful to my colleague from Mississippi, as many Members have already said for insisting that this issue remain before us. I want to reemphasize the substantial persistence and perseverance our good colleague from Mississippi has shown in making sure that we do not forget our missing in action.

It has been said here a great number of times today that it is essential to keep the torch of the MIA families alive. My

good colleague from Pennsylvania (Mr. MURTHA) who has been in South Vietnam himself fighting, and my colleague from Indiana (Mr. LANDGREBE), along with others have stated today this is not a time to forget the missing in action.

I, too, am terribly disappointed in the press on this issue. They have failed once again to give proper attention to this issue. Yet, every time somebody criticized our fighting men in South Vietnam in previous days, they picked up the slightest detail and made banner headlines everywhere. But now they have almost forgotten the MIA in South Vietnam who have been lost to our country, the unidentified. They have lapsed badly in their ability to point out and criticize where the North Vietnamese have been wrong in not keeping their commitments. How many times have we seen in recent times the press raising the issue that the Communists have broken their promises; or they have not kept their part of the treaty? Yet, we saw, as the gentleman from Pennsylvania (Mr. MURTHA) pointed out, for the people that were there, the men fighting on behalf of our country, the press could easily criticize them when they did not do the right thing. But by gum, they will not raise their voices today against the North Vietnamese, because they are not keeping their treaty promises. They fail to raise that issue.

I think it is too bad. Yet, today we hardly see anybody in the Press Galleries to cover this special order. Evidently its not sensational enough. I know my good colleague did cover this event today with proper press notice. But we can all be sure that the press can and will come up with almost unbelievable details of Watergate or something else today, but they have forgotten their own missing correspondents in South Vietnam.

I think it is a tragedy that the press has badly failed to persist in this issue the way the gentleman from Mississippi has.

Mr. Speaker, I compliment my colleagues Mr. CRANE and Mr. MONTGOMERY for bringing that point out. We are very appreciative of the time he has taken to go on the scene. It was not a junket; he did not enjoy a lot of extra goodies or that sort of thing. He went at his own expense in most cases. We appreciate the finest accountability he has given us. He has been a tremendous representative for all of us as well as the MIA families. He has been a voice to try to make sure that the MIA families of this country are not forgotten; that they have been reassured that this House of Representatives will not forget. We here represent many of those who have disappeared. We need to revive this issue. Now.

Today, our good colleague from Pennsylvania (Mr. MURTHA), I think stated the reason why the North Vietnamese do not want to talk about this and do not want to let our people in there is, because they do not want people to know how these people died or what happened to them. They do not want people to learn that this was a war of incredible attrition and of incredible "broken promises."

So, Mr. Speaker, I thank my good colleague from Mississippi, who is again to be complimented for his effort to make sure that the American people do not forget; that our State Department does not forget; that the Defense Department does not forget; and making sure that we persist until this full accountability is given.

Mr. Speaker, I thank my good colleague from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I would certainly like to thank my colleague from California. Well said—well said. I appreciate his staying to this late hour to put so forcefully and so strongly the problems we have and to point out the different areas where we have not really been treated fairly in our own country on such a burning issue.

Mr. ROUSSELOT. The gentleman is absolutely correct.

Mr. MONTGOMERY. How the press has completely missed this is beyond me.

Mr. ROUSSELOT. It is amazing to me because so many of the working press state that they are interested in humanitarian causes and their own people are involved.

I compliment my colleague for bringing this matter up again.

Mr. MONTGOMERY. The press have a number of people missing in action or killed in action, more than any other civilian group.

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

Mr. MONTGOMERY. I am happy to yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I would like to join with my many colleagues who have already expressed their commendation of the gentleman from Mississippi. I am only sorry that more Members are not here, but I would like to commend him for bringing this special order before us this afternoon and for his many trips to Vietnam and for the report he has recently compiled.

I would like the record to show, Mr. Speaker, that as I speak, there is no one in the Press Gallery. I think this is something the press should be giving a great deal of attention to, in order to keep the interest of the people and the world focused on this important issue.

I do not think there is anything more tragic than the family of someone missing in action not knowing whether that person is alive or dead, and knowing that there are means available to find out. All we have to do is get the permission of those in control of those territories to do that.

I think we should recognize this as our most pressing unfinished business.

I think it is shocking, perhaps the most shocking of all, that even in those areas where we know and have identified airplane wreckage that may or may not contain bodies of men missing in action, we have been prevented from sending in search teams.

I think it is very important, as Members have pointed out, that we continue to bring all pressure to bear, that we as Members of the Congress can, to bring to the attention of other nations this

very important matter to elicit their support in our efforts.

Mr. BIAGGI. Mr. Speaker, I am honored to join with my colleagues in this special order to discuss the continuing plight of our men missing and killed in action in the nations of Southeast Asia.

While the guns of the Vietnam war have been stilled for more than a year, many tragic postwar reminders linger with us today. Unquestionably, the most important of these remains the accounting of our missing personnel. According to recent figures issued by the Department of Defense, more than 1,000 men are officially listed as missing in action while another 1,200, who were killed in action, remain unaccounted for somewhere in the Communist zones of Southeast Asia. These shocking and alarming statistics indicate clearly that the tragedy of the Vietnam war continues to haunt us today, and most especially for the families and loved ones of these men whose anguish and suffering grows with each passing day.

This Congress has enacted numerous pieces of legislation aimed at bringing about a prompt and complete accounting of our MIA's. Last August I sponsored and had passed an amendment to the Foreign Assistance Act which prohibited aid to any nation trading with North Vietnam, unless—and until we received assurances from the latter government that they would fully cooperate in providing a full listing of all remaining personnel killed or missing in action. Yet, as diligent as our efforts have been, the fact remains that very few results have emerged thus far.

This administration has no higher priority before it than to work to secure the fate of our MIA's. While it is admirable to work for peace in the world, let us not forsake those who sacrificed or gave up their lives to help establish this peace. Stronger and more decisive actions must be taken to convince the Governments of North Vietnam and Laos to release the information we need to determine the exact status of these men.

Mr. Speaker, the beleaguered and grieved families of our MIA's have been patient. Yet, understandably they have grown weary, and now want results instead of rhetoric. The challenge is before us. We must respond to it, just as the men we speak of today rose to the challenge of preserving freedom. We must show them and their families that their efforts were not in vain.

Mr. KEMP. Mr. Speaker, I should like to join my colleagues on the floor at this time in commending Representative MONTGOMERY for bringing to the attention not only of this Congress, but of the American people, this extremely important issue. I thank Mr. MONTGOMERY for his leadership in this area of human rights.

In January 1973 a promise was made—as a part of the peace negotiations to end direct U.S. involvement in the Vietnam war—by the North Vietnamese and the Vietcong to account for all Americans who were listed as POW's and

MIA's. This promise has not been kept. Many American servicemen have returned home, but there are still 1,200 who have not been accounted for.

With each day the tragedy of these men increases. Their families wait and hope that they will hear some word about their loved ones. This agony is compounded by rumors and stories which are neither confirmed or denied.

It is time for this tragedy to stop. I believe that we owe it not only to the families of the missing men but to all Americans to bring about a speedy and complete resolution to this vitally important problem.

It is up to the Congress to make a firm resolve to do everything in its power to bring about a full accounting of these men. We must show the North Vietnamese and the Vietcong that we are not going to abandon these men. In order to do this, it is my belief that we need to demonstrate this resolve through a program of concerted action.

On June 3 the House passed a resolution by which the United States will stop all consideration of aid, trade, and diplomatic recognition with North Vietnam and the Vietcong until they comply with the Paris Agreement. This is a step in the right direction, but it is not sufficient. I, for one, am a great believer that we should not trade with Communist China and Soviet Russia—as the main source of political and military support of North Vietnam—in order to force the North Vietnamese to comply with the Paris agreement.

Furthermore, I believe that we might consider going to the U.N. Security Council in the absence of compliance by the North Vietnamese. We ought to talk about reducing our funding of the United Nations to possibly force other nations of the world to put pressure on North Vietnam.

What else can we do? I am calling upon the Secretary of State, Dr. Henry Kissinger, to lead a factfinding mission to Southeast Asia to demand the fulfillment of the commitment originally made by the North Vietnamese and Vietcong to that commitment.

As I said earlier, for us to fail to bring economic, political and diplomatic pressure on North Vietnam to account for our missing would be the most serious violation of the Paris Agreement I can think of. On behalf of the families of the missing in action of western New York and all American families I urge this Congress to step up its efforts.

Mr. RONCALLO of New York. Mr. Speaker, I join with my colleagues in taking this opportunity to add our voices to those heard throughout the country who continue to express a well-justified concern over the fate of our missing in action in Southeast Asia.

We simply cannot dismiss the missing in action from our hearts and our minds because of the passage of time. As we know, there are still 1,140 Americans listed as missing in action—and the bodies of another 1,266 who were killed in action have not been recovered. Surely, Mr. Speaker, the families of those still



missing deserve no less than a full accounting of the fate of their loved ones. And simple justice demands that those who died wearing the uniform of the United States of America deserve the dignity of a final resting place in the United States of America.

We must continue to press for a full accounting, and we must insist that the Communists live up to the requirements of the Paris peace accords and let U.S. or neutral country identification teams go into contested areas so that we may recover the remains of our brave men who fell in battle.

It is fitting that the House of Representatives has passed legislation identical to my cosponsored House Concurrent Resolution 281, which emphatically states that no trade, diplomatic recognition, or aid shall be given to the Government of North Vietnam or to the Vietcong until they fulfill their obligations and account for our missing in action. I hope we will see swift action by the Senate in resolving the slight differences in language between our resolution and the version passed by that body.

Our Nation can also use our improved relations with China and the Soviet Union to seek answers and results with regard to the fate of our missing in action.

The tragic war in Southeast Asia has ended—at least so far as active U.S. military involvement is concerned. However, the plight of our missing in action demands an active role by the United States in seeking a final accounting of our fallen heroes. As has been pointed out by our colleagues, it is no fault of the United States or of the government of Vietnam that our missing in action are still unaccounted for. The difficulty and the blame are clear—it is the Communists who have failed to live up to the Paris cease-fire document which they signed more than 18 months ago.

In the hope that we will prevail in securing a more complete accounting of our MIA's, I would urge the Department of Defense to go slow on issuing presumptive findings of death where the sole reason is lack of information regarding the fate of the serviceman. I will shortly introduce legislation which would preclude such a finding in these cases except after a hearing and with the concurrence of the MIA's next of kin.

And so, Mr. Speaker, I add my support to that of many other Members of this House in calling for continued efforts to resolve the tragedy of our missing in action—a tragedy that has become a daily part of the lives of those families who have waited long months and years for definitive word of the fate of their loved ones.

#### MISSING IN ACTION IN SOUTHEAST ASIA

The SPEAKER pro tempore. The gentleman from Michigan (Mr. HUBER) is recognized.

Mr. HUBER. Mr. Speaker, I am very pleased today to join the gentleman from

Mississippi (Mr. MONTGOMERY) in this Special Order on the Missing in Action in Southeast Asia. As the original sponsor of House Concurrent Resolution No. 271, which passed the House last month, this is, indeed, a subject of great importance to me and to all of us I am sure. It bothers me greatly that the other body has not seen fit to ask for a conference on the measure we have already passed, House Concurrent Resolution 271, which was returned to the Senate as Senate Concurrent Resolution 81. Surely these two great bodies can agree on language between ourselves that would express the sense of the Congress again on this vital matter. Is this too much to ask? I think not.

The Vietcong and the North Vietnamese are well aware of the unanimous vote on House Concurrent Resolution 271, as our colleague from Mississippi confirmed in his "Dear Colleague" letter circulated last week. My friend, Congressman MONTGOMERY, also confirmed to me that these recent enemies of ours, beguiled by their own propaganda, had not expected the resolution to pass unanimously. Thus, we know that a resounding message from the Congress will be heard in Hanoi and in the North Vietnamese and Vietcong-held areas in Vietnam.

In the other body, it should also be noted there is an amendment pending to the trade bill relative to the MIA's, which would attempt to give the MIA problem larger attention by forcing the Soviet Union to be of assistance in this matter as yet another precondition to most-favored-nation treatment. This might be helpful. I do not know, but almost anything is better than the present congressional inactivity on the issue.

If the situation regarding the MIA's were already not bad enough, the United Press International datelined a story from Saigon this last weekend to the effect that amateur bounty hunters may now be scouring the jungles of Vietnam looking for remains of MIA's. A rumor, the story said, has swept South Vietnam that the Americans will pay \$10,000 or more for remains of dead Americans or for information leading to their recovery. Actually, the United States is only paying native volunteers \$2 a day to follow up promising leads in certain unsafe areas. All of this, however, is symptomatic of the overall situation, in my view.

This is going to become a tragedy beyond measure if the United States does not act and act soon on this issue. The problem goes far beyond accounting for the missing in action. The North Vietnamese and Vietcong have to be called to account for those men, military and civilian, that we know were seen captured and were alive. We need to determine what war crimes have been committed by the Communist side against our prisoners in contravention to the rules of war. It has never been determined whether the men who had suffered serious physical or mental injury were simply done away with or really died of natural causes. Such questions can be asked in well over 150 cases, depending upon whose count you accept.

Then there is the larger question of the some 1,200 next-of-kin of all the missing in action—their friends and relatives. In the broader view, there is the attitude of the armed services and the Nation as a whole on the question. If we continue to dally we will infect the country with yet another virus from an already unpopular war.

This is not just a "little detail" as our colleague was told by the Vietcong recently, it is a vital issue that will tear at the fabric of this Nation. It is up to the Congress to lead the Nation in this cause.

Mr. Speaker, there was some question about why we are not being allowed to investigate. It seems to me in the last year and a half, when I have had a chance to speak at rallies of those from captive nations, the Estonians, the Latvians, Lithuanians, Hungarians, Polish, Romanians, and Czechoslovakians, there is always a reason as to why they are being treated the way they are. The word is "communism"—always "communism."

It is about time we in this country put the blame where it belongs. It is an ideology that is condemning the free people of the world to slow death and condemning those who have died to be buried forever in the pages of time.

It intrigues me that our returning prisoners of war seem to have two comments, representing viewpoints which we are not taking advantage of. The first comment from the POW's I have talked with—and I have talked with a good many—is this: They have said they would be willing to go back and fight again because they have never lost faith in the cause under which they served.

The second one I heard is that many of the POW's want to see the Fondas and the other fellow travelers who made their lives miserable in prison camps brought to trial and brought before the tribunal of justice and be made to pay for the agony and the intense pain that they caused our POW's during their incarceration.

While we are looking for bodies, we ought to find the bodies of the Fondas and see if they may have a chance to pay the price for what they did to our men who were serving honorably in the service of their country.

So, Mr. Speaker, it seems to me we have a real mission in this Congress. That mission is to see to it that we do not forget our MIA's, and that we do everything within our power to see to it that they and their families have the full support of the United States in attempting to resolve this problem once and for all.

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

Mr. HUBER. I yield to the gentleman from Indiana.

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

I would like to point out that it is late at night, and I want to congratulate the gentleman from Michigan for staying here after the full hour taken by the gentleman from Mississippi in order to continue to reiterate the concerns of at

least some of us for those boys who are missing in action.

I might point out that I am wearing a bracelet that was just given to me recently by Mrs. Ammon, of Muncie, Ind., whose son has been missing since 1966. This woman has reason to believe that her son is alive. She is really frustrated by the fact that there is no one who is really seeming to pay attention to this matter.

I might ask the gentleman if he thinks it is fair that this Congress give consideration to granting amnesty to these people who are now living in Canada and in other places without giving any consideration to those families of MIA's and before we have really accounted for those who are missing in action.

Mr. HUBER. I am certain that there is a priority system somewhere, and the greatest priority we owe is to the missing-in-action. There is no question in my mind that as far as amnesty is concerned, I would think that each one of them would be a separate case, and should be taken up individually. But they are certainly far down the line from the MIA's in priority order.

Mr. LANDGREBE. But there have been a number of Members of the Congress who have expressed great concern over amnesty, and yet those very same people would never consider, and they are certainly not on the floor today, sharing in this Special Order as we probe and try to generate a continuing interest in the fate of these men who went to war, willingly or not, they answered their country's call. Certainly this Congress has got a responsibility to those people.

Mr. HUBER. Mr. Speaker, the point taken by my colleague, the gentleman from Indiana, (Mr. LANDGREBE) is well taken.

Mr. Speaker, I now recognize the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I certainly would like to express my thanks to the gentleman from Michigan for taking this Special Order, and I would like to compliment the gentleman on the very strong statement he just made.

I might say, Mr. Speaker, that as soon as I got to Saigon and met with those Americans who are on this joint commission, that they commented on the Huber resolution and how it had a great effect on the Vietcong and the North Vietnamese that this Congress, this House of Representatives, would pass such a strong resolution speaking up for the MIAs and those Americans killed in action, and that it passed without a single dissenting vote. This had quite an effect on them.

I think the gentleman from Michigan should be commended again, as I have done in private and as I do in public today, for his leadership on this resolution.

The gentleman touched on a subject today, and although I know that the hour is late, I feel that certainly there should be some comments made on it. It concerns what the New York Times pointed out about the bounty hunters, and also that CBS had something in the news several weeks ago about the people from

this country and people in other countries going out and in effect looking for remains.

I talked to many people in Saigon about this situation. I did not classify these Americans and the people that I talked to as bounty hunters—I found them to be sincere in trying to go to these locations to recover remains. They did need some expense money to do this. South Vietnamese have to be paid when they take off from their jobs and take their vehicles into these areas. Other than expenses I found no evidence where our Government had been asked for large amounts of money.

However, I am concerned that there are some organizations, I am told, in this country, that are getting funds to have groups go into different parts of South Vietnam and Laos and try to find some remains. I would think this would be a mistake. We have very fine people in the Joint Casualty Resolution Center in Thailand, waiting to get into these areas when permitted to do so. But I am concerned about a few of these amateurs going into these areas for fear that they will come out with unidentifiable remains. They will not come out with the needed identification; they will not come out with the proper evidence that we need to identify these remains or to identify the plane.

It is a skill that has advanced in the last few years. These people can be identified. In fact, we went to the American laboratory in Thailand and saw where they work on identification. They use photographs and pictures, and if these experts can get any evidence, they can put it together and come up with an identification.

So I would hope that groups trying to do good would be very, very careful about going to Southeast Asia and looking for remains. In fact, I think they would probably do more harm than good.

We have started a program in Southeast Asia, that centers around this calendar I am holding. The calendar is done in the South Vietnamese language, and these calendars have been spread all over South Vietnam. It is given to the farmers and villagers and it states that if they know of any aircraft crash sites, notify the American authorities and we will send identification teams into the areas. It is working. From reports received, they have found a number of bodies in the last few months. By "a number," I would say 15 to 20. We have this program going on now in Southeast Asia.

I hope that we would continue to let the American authorities work with the South Vietnamese in trying to recover these bodies.

Moving to another subject, I think it should be pointed out that there is a coalition government now in Laos made up of Pathet Lao and Royal Laotian Government officials. I think it has a fighting chance to make it if the North Vietnamese will leave them alone.

There is a problem, however, that I want to point out here today. I have checked this with the U.S. aid officials in Laos. Since our Government recognizes the new coalition government, all

parties connected with the Laotian Coalition Government are eligible for U.S. aid. I talked to Ambassador Whitehouse about this. He was very cooperative, and he agreed with me fully that no aid should go into the Pathet Lao or Communist areas until we have had a complete accounting of the MIA's and until we have been able to send these identification teams into the Communist territories to find out what happened to our Americans.

I only point this out to strengthen Ambassador Whitehouse's position, and the position of the gentleman's resolution, that certainly we should not give foreign aid by building hospitals and building roads in Communist territories when we cannot even go in and bring home our dead. I wanted to point this out, because this would be going completely contrary to the gentleman's resolution and the feeling of the Members of this House, and the feeling, I am sure, of the Senate and of this administration.

In closing, I should like to say that I had complete cooperation from the Pentagon. I had the opportunity to have Capt. Jim Kneale, a Navy captain, go with me as my escort officer. Captain Kneale was most helpful throughout the trip. I thank the Defense Department for sending this capable officer with me.

The American Ambassadors that I visited were very cooperative. The American military was most helpful and I got an honest picture from the Americans. It was all above board and nothing whatsoever under the table. They laid it out and gave me whatever information I wanted. They worked with me in meeting with the Communist officials. I do feel that I have brought back some type of updated factual report on the sad and frustrating situation in Southeast Asia.

I thank the gentleman from Michigan for yielding.

Mr. HUBER. I want, again, to thank my colleague for taking the time tonight to bring this important matter to the attention of the Congress.

Mr. MILLER. Mr. Speaker, I welcome this opportunity to join with my House colleagues in this special order concerning the American servicemen listed as missing in action in Southeast Asia. I see this as occasion for the U.S. Congress to again underscore its firm commitment to direct our Armed Forces to fully investigate the circumstances surrounding each and every case of the MIA's, and make all information tied to such investigations known to the families of these brave men.

In his colleague letter to the Members of the House, my good friend, Representative SONNY MONTGOMERY advised us that the North Vietnamese read the CONGRESSIONAL RECORD and absorb every word printed in it regarding the situation in Southeast Asia. I am glad to know that. I am especially pleased to know that the Communists digest our words relating to the search for the missing in action. I hope they will understand this special order and the many pieces of legislation we have passed regarding the POW's and MIA's for exactly what they are: efforts by the U.S. Congress to do all we can to assure a full



accounting of the missing and the safe and speedy return of any and all Americans who remain unreleased from the jungles of Indochina.

It is up to Hanoi, as far as I am concerned. U.S. search teams are in place and are fully trained and willing to cooperate in locating the missing. Hanoi, however, refuses to assist in this humanitarian endeavor.

By way of this occasion, I again call upon Hanoi—and the American public in general—to give to the search for the MIA's the priority that the issue deserves. Read these lines well, if you will. Think of the circumstances under which these men have served their Nation. Exchange places with the families who have waited out the long years of hoping for a loved one to return.

With these thoughts in mind, I believe it is easy to understand the importance of the MIA issue, and equally easy to understand why I consider its significance second to none.

Mr. HANRAHAN. Mr. Speaker, since the end of American involvement in Vietnam and the joy of returning prisoners of war, the public has given little attention to the more than 1,000 Americans still classified as missing in action, and the 1,266 who were killed in action but whose bodies have not been recovered from Communist territory.

However, Congressman SONNY MONTGOMERY, on his recent factfinding tour to the Far East, has brought additional attention to this very serious matter. His travels through South Vietnam, Laos, North Vietnam, and Cambodia shed light on this tragic situation. I am grateful for his efforts and hope he will continue them.

In applauding Mr. MONTGOMERY, I also urge Members of Congress and the public in general to exert pressure to solve the mystery of the forbidden crash sites. Now that our involvement has ended, we must do all we can to discover the whereabouts of our men still listed as missing in action.

For my part, I have strenuously supported such efforts in securing information about these Americans and have worn a bracelet in honor of Capt. William Plassmeyer, who was shot down in September 1970.

Mr. FISH. Mr. Speaker, on January 27, 1973, a Vietnam peace agreement was signed in Paris by our Government, South Vietnam, North Vietnam, and the National Liberation Front. Since that time, 566 American prisoners of war have been returned home. But the heartache continues for the families of the over 1,300 men who are still listed as missing in action as the Government of North Vietnam persists in violating article 8 of the agreement that calls for a detailed accounting of the missing, captured, and dead.

Our Government has taken an active role in attempting to determine the fate of American personnel who have not returned from Southeast Asia and are unaccounted for. To this goal, the four-party joint military team was formed in April 1973. This team is responsible for implementing article 8(b) of the

Paris agreement, which provides for an exchange of information about military and certain other personnel who have been listed as missing in action. The U.S. delegation to the FPJMT has consistently requested that Communist countries comply fully with their obligations under the agreement. To date the FPJMT has been obstructed by the lack of cooperation by the Communist members, who frequently boycott the meetings, or use them to give propaganda speeches. The U.S. delegation has repeatedly protested this lack of cooperation by the Communists, but to no avail.

To effectuate discovery of the status of MIA's, the Joint Casualty Resolution Center was established. Located in Thailand, this organization is an outgrowth of U.S. Government efforts to identify and document the fate of MIA's. This documentation includes crash gravesite identification. Search crews from this organization have had success in the resolution of MIA cases, but have been hampered by North Vietnam's refusal to grant search teams permission to enter the country. In December of last year, an American member of a search team was murdered in cold blood by a hostile force during an investigation of a reported crashsite. Such is the Communist response to the efforts of the JCRC.

Mr. Speaker, Congress cannot and has not been silent on the issue of MIA's. Americans who remain unaccounted for in Southeast Asia are a matter of great personal concern to me. I was tremendously impressed by the unanimous vote in the House for House Concurrent Resolution 271, which expressed this Chamber's desire to deny aid, trade or recognition to Southeast Asian Communist countries until there has been a full MIA accounting. In addition, I am hopeful that the Senate will approve an important amendment to the trade reform bill, which is now before the Senate Finance Committee. This amendment provides for the withholding of "most favored nation" status from those Communist countries that do not cooperate in the efforts to locate MIA's in Southeast Asia. It is hoped that this amendment, which I plan to support, will force the Soviet Union to actively encourage North Vietnam to fully comply with the Paris Peace Agreement.

To insure that every opportunity is given to determine the exact fate of our MIA's, I urge this House to give rapid consideration to House Resolution 1093. This resolution calls upon the Secretary of Defense to refrain from reclassifying any MIA's to presumptive death status until the Communists follow the provisions 8(a) and 8(b) of the Paris Peace Agreement.

But have we done enough? I, for one, am not satisfied our Government has used its diplomatic or political leverage to its fullest extent. Nor can we expect a renewed determination to do so. What is needed is congressional initiative and congressional direction. House Joint Resolution 716, introduced by Mr. GILMAN of New York supplies this direction. This legislation, which I have cosponsored, would authorize the House Foreign Af-

fairs Committee and the Senate Foreign Relations Committee to conduct a full-scale investigation into the status of American men who are missing in action in Southeast Asia, and to explore the possibilities of obtaining further information concerning these men. These committees would be required to report their findings to their respective Houses, and to recommend to the appropriate branches of Government the best course of action to resolve the current impasse in negotiations to obtain the release of all POW's held in Southeast Asia and to secure all information concerning those still missing in action.

Mr. Speaker, the joy this Nation expressed at the return of its prisoners of war has now been overshadowed by a real sense of frustration with respect to MIA's. We must continue to seek legislative and diplomatic initiatives that can help determine the status of these MIA's. This country must show all nations concerned that we will not quit nor shrink from travelling any road which can resolve the fate of our 1,300 men in Southeast Asia.

Mr. THONE. Mr. Speaker, this body and the American people are indebted to the gentleman from Mississippi for his investigative trip to Southeast Asia and for arranging this special order for today.

America must not forget its service personnel who are listed as missing in action in Southeast Asia. We must take whatever steps are necessary to make the Vietcong in South Vietnam and the Government of North Vietnam to live up to the Paris agreements.

We are not merely engaged in wishful thinking when we presume that some of the American missing in action are alive in Vietnam. There are several dozen cases where we have had eyewitness reports of American servicemen who were alive and well after being shot down by Communist forces. These men were not returned with the prisoners of war and we have had no accounting of them. We must find out if they are still alive.

Most of the Americans listed as missing in action were flying personnel of the U.S. Air Force, Navy, or Marine Corps. To search for these men in the areas where they were shot down would not be like searching for a needle in a haystack. In almost every case, we have exact military records as to where they were shot down. In many cases, opening of parachutes were observed, there were eyewitnesses that these airmen made it to the ground and in some cases there was even radio conversation with the men after their landings. If the Communists would permit it, it would be relatively easy to make thorough searches of the areas where crashes took place.

Under the terms of the agreement in Paris, we must notify the Vietcong when we are going to send out U.S. personnel to attempt to learn what happened to American casualties. In December of last year, the United States informed the Vietcong that we were sending out such an unarmed party. This information may have helped the Vietcong to set up the murder of Captain Rees who led that investigation. Since then, our Nation has

sent out no additional teams to investigate crash sites in Vietcong territory.

We must take action to require the Vietcong and the Government of North Vietnam to live up to the treaty they signed.

The Nation of Laos is not subject to the Paris agreement. We must, however, find a way to force the Pathet Lao Communists to permit investigations there. There are perhaps 300 airmen who are missing in action over Laos. Since there is a coalition government in Laos that includes the Communists, we must make certain that no U.S. aid reaches the Pathet Lao while they are maintaining that only one American is alive in their territory.

Members of Congress must make certain that the Department of Defense does not aid the Communists by doing away with our records of those service personnel who are missing in action to killed in action without any apparent rationale for this action. We must keep these records as they were until evidence is available as to the fate of these men.

The Congress of the United States must maintain and increase pressure so that an adequate accounting for all missing in action is obtained.

Mr. SPENCE. Mr. Speaker, it is right that attention should be drawn to the appalling and inhumane record of the Communist forces in Vietnam. The story has been a long saga of repeated violations both of the rules of war, and of their own solemn agreements.

Not only did they make no attempt to implement the Geneva Convention during the conflict, but their record since the Paris cease-fire agreement has been marked by continued obstruction of American attempts to establish the fate of our missing in action. The North Vietnamese and the so-called PRG have shown that they regard the suffering and uncertainty of hundreds of American families as a pawn to be used ruthlessly by them in a wider political game.

Their attitude during the fighting was to claim that the Geneva Convention relating to the treatment of prisoners "did not apply," since no war had been declared. Article 2 of that convention clearly states that it applies to all cases of armed conflict between signatories of the convention, and North Vietnam acceded to it in 1957.

We now know, following the return of our own POW's, that the North Vietnamese practiced systematic maltreatment and torture on our prisoners, in total violation of the Geneva Convention. We know, too, that every visit to Hanoi of those prominent in the "peace movement" was the cue for renewed and intensified torture of our men in attempts to make them cooperate in propaganda interviews.

In contrast to the North Vietnamese attitude, the United States and the South Vietnamese fully applied to the rules of the Geneva Convention. They arranged regular Red Cross visits to POW camps, permitted private interviews with prisoners, allowed a regular flow of mail to reach them, and made lists available. The Communist authorities made no information available until

they released a few names toward the end of the conflict.

Even now, some 18 months after the signing of the cease-fire agreement, the issue of our missing in action is still unresolved. This is a direct result of deliberate Communist intransigence. At the time of the cease-fire, we listed some 1,900 Americans captured or missing, whereas their list consisted of some 597 prisoners of United States or third country origin, and the names of 70 persons who were claimed to have died in captivity.

Attempts by the American and South Vietnamese members of the four-party joint military team to determine the fate of the remaining MIAs have met with total resistance from the NVA and PRG delegates. The other side has systematically refused to honor their obligations under article 8(b) of the cease-fire agreement. They have not only refused to cooperate in allowing investigation parties to visit crash sites, but they murdered in cold blood an American team leader and his Vietnamese colleague who were inspecting such a site. Since advance notice of the visit had been given, and since the two murdered men were wearing the orange FPJMT identification, and had their hands raised at the time, one can draw no other conclusion than that this was a deliberate murder to prevent further investigation.

The majority of the remaining American MIA's were reported missing in air action, and the overwhelming majority of the incidents concerned took place in northern or Communist-held territory, or on ground now in disputed control. Any attempt to determine the fate of these men demands that the Communists honor their agreement to allow inspection of possible crash sites.

What the Communists have done in the FPJMT negotiations is to attempt a link between the issue of the American MIAs and the separate issue of Vietnamese civilian detainees. This is despite their own signature on the Paris cease-fire document which clearly places the issue of Vietnamese civilian detainees as a concern of the two South Vietnamese parties only. Thus they are prolonging the agony of American families of our MIAs in a cheap and sordid attempt to make propaganda points.

We should not be surprised at the Communist attitude. Their humanitarian record is nonexistent, and their record of honoring treaty obligations approaches the same level. Since they have violated almost every other clause of the cease-fire by their repeated acts of aggression, their random murder of Vietnamese civilians, and their infiltration into the South of massive quantities of men and material, it should not surprise us that they have violated those parts of the agreement dealing with our MIAs.

This should not stop us, however, from seizing every opportunity to pillory them before world opinion. It is no fault of the United States or of the Government of Vietnam that our MIA's are still unaccounted for. We have spared no effort, and the Vietnamese Government has cooperated to the hilt in this humanitarian venture. The blame for the

continued suffering and uncertainty must be placed firmly at the door of the Communists. Only their totally callous attitude and their determination to trade on the tragedy of others prevents further resolution of the agonizing uncertainty.

I fully support my colleagues, and agree that Congress must set the lead. We must apply every pressure which we can exert to bring the NVA and the PRG into line with their own agreed word, and with the laws of human decency. They have betrayed not only their treaties, but their humanity. I am glad of any opportunity to add my efforts to those of others in the attempt to bring a solution to this dreadful problem.

Mr. ADDABBO. Mr. Speaker, I rise to express my deep concern over the status of our efforts to obtain information on American servicemen missing in action in Southeast Asia. At the same time I would like to commend our colleague from Mississippi, the Honorable G. V. (SONNY) MONTGOMERY, whose perseverance has given us a clear and current report on the situation, following his personal visits with officials of North and South Vietnam, Laos, and Cambodia.

A full accounting of those missing in action and the return of known dead are basic demands which must be met. I share Representative MONTGOMERY's view that public pressure must be brought to bear on the leaders of these Southeast Asian countries to comply with basic international human rights.

The information we are seeking must be forthcoming quickly or the appeals to the conscience of other nations will be less effective. The report we have heard today stresses this point and our statements in this Chamber today reaffirm this Nation's determination not to let this issue rest.

I commend our colleague, SONNY MONTGOMERY, in his request to the Congress on this important issue.

Mr. ZABLOCKI. Mr. Speaker, I am pleased to join with the distinguished gentleman from Mississippi, the Honorable G. V. "SONNY" MONTGOMERY, and other colleagues in once again calling attention to the tragic failure of North Vietnam and the Vietcong to provide a full and accurate accounting of the more than 1,100 Americans who remain missing in Southeast Asia.

This sad fact certainly is one of the bittermost aftermaths of the Vietnam conflict. Our hope and prayer is that it not be etched in history as an example of man's cruelty—a cruelty which springs from a vile mind and a cowardly heart.

In many ways, the stubborn insensitivity of the North Vietnamese and Vietcong in failing to live up to the pledges they made in signing the Paris Cease-fire Agreement reflects their inhumane attitude. To them honor and commitment are apparently mere words to be exploited for the expedient goals of the moment and then forgotten.

This Congress and this Nation, however, will not forget. Above all, we will not forget our servicemen who remain missing; and we will not forget their



families and loved ones for whom this matter remains a deep personal agony.

Nor will we forget that on June 4 the House of Representatives unanimously registered its support for House Concurrent Resolution 271, the provisions of which I urge the North Vietnamese and Vietcong to read carefully.

As chairman of the House Foreign Affairs Subcommittee on National Security Policy, which considered House Concurrent Resolution 271, I sincerely hope that they recognize the firm determination of the Congress to keep its commitment by fully implementing the provisions of that resolution.

Mr. PARRIS. Mr. Speaker, I welcome this opportunity to join with my distinguished colleague from Mississippi (Mr. MONTGOMERY) in taking a few moments to remember and salute the many brave Americans who are still classified as missing in action.

More than 18 months have passed since the momentous day when, after months of painstaking negotiations, several hundred POW's were able to return to this country. I am certain none of us will ever forget our own personal elation at the sight of those men—many of whom had spent years of their lives in Vietcong prison camps—stepping off the planes at Clark Air Force Base in the Philippines.

But for the families of the 1140 American men who are still classified as missing in action, the endless days of agonized uncertainty still go on. I have had the privilege of meeting with several of these courageous families, who continue to hope that they will know the fate of their loved ones, and to work for a full and accurate accounting by the Communists of all MIA's.

It is appalling to realize that the Vietcong have not yet permitted American or neutral country identification teams to go into Communist territory and investigate grave or crash sites to bring back the remains of those who may have perished there—which is a direct violation of the Paris accords. Every day that passes will make these sites less identifiable and the recovery of bodies less probable.

Despite the unstinting efforts of many, among them the distinguished gentleman from Mississippi, we have not been successful in determining the fate of these 1,140 men.

Mr. Speaker, I have nothing but disdain for the people we are dealing with here. The Communists do not intend—and in all probability have never intended—to live up to the terms of the Paris agreements.

Unfortunately, the tools we have at our disposal to put pressure on the Communists to release information and to permit onsite investigating teams is severely limited. We do not now supply foreign assistance to the Communists in Southeast Asia, although some reconstruction and military assistance is provided to friendly governments in that area.

I would, however, like to take this opportunity to reiterate my pledge to the MIA families and to my constituents that I will never support trade agreements, diplomatic recognition, or recon-

struction assistance for the North Vietnamese so long as there are any American men for whom no accounting has been made. It would be unthinkable to do otherwise.

Mr. Speaker, the plight of our missing servicemen in Indochina, is a vital matter and one which concerns all Americans. The passage of House Concurrent Resolution 271 earlier this year by unanimous vote clearly pointed out the sense of Congress with respect to the MIA's and the outrageous disregard of the Paris agreements which has been demonstrated by the Communists. I know this body and the Federal Government in general will continue to do all in their power to achieve a complete and accurate accounting of our MIA's.

Mr. WOLFF. Mr. Speaker, I want to commend my distinguished colleague the gentleman from Mississippi (Mr. MONTGOMERY) for reserving this time today to discuss once again the fate of our men missing in action in Vietnam.

We must not for one moment lose sight of the fact that there are some 1,140 men listed as missing in action in Vietnam whose fate is unknown. This figure represents the loved ones of over 100 families in my State of New York alone. It is these families who face daily agonizing uncertainty. Compassion dictates that as expeditious and clear a resolution of the fate of these men be made. We cannot allow anyone to hold the fate of the MIA as an instrument of foreign policy or as an element of political gain. The families of these men must not be used as pawns in a political "game plan." Too much suffering has been visited upon next of kin already; we must persist with renewed vigor the job of obtaining a complete accounting as rapidly as possible.

We are all aware that article 8(b) of the Paris accords requires the North Vietnamese to release information pertaining to MIA's. We are also aware that the North Vietnamese have not lived up to this agreement; they have interfered, since the accords were signed, with efforts to obtain a full accounting of these men and to determine their fate. Over a year ago, I held ad hoc hearings in New York on our MIA situation; several of those who testified were next of kin to those listed as missing. A number of those who came before us indicated that they had seen pictures of men listed as missing; yet, the men pictured were not released by the North Vietnamese, their fate still in doubt.

There have been countless conflicting stories on the success or failure of efforts to obtain a complete accounting. The fact remains that the fate of some 1,140 men is still unknown. I think we can all agree that we seek most of all to avoid a repetition of the sad situation that followed the conclusion of the Korean conflict 20 years ago.

Our Defense and State Departments—and they must be assured of congressional support—must redouble their efforts to force the North Vietnamese to live up to the Paris accords and release information pertaining to the fate of MIA's. We must continue to press for a final de-

cision as to the fate of these men. We must put an end to the limbo in which the families of MIA's now find themselves.

Mr. JOHNSON of California. Mr. Speaker, I rise to commend my good friend, the gentleman from Mississippi (Mr. MONTGOMERY) for his comments and for his outstanding service to the Nation through his efforts to obtain some hard facts about the missing-in-action situation which plagues this Nation of ours.

As we all know there are hundreds of victims of the Vietnam war who have not been accounted for. Their families live in agonizing conditions of suspense waiting for the word about their loved ones.

As Mr. MONTGOMERY's report on his efforts and contacts in each of the areas concerned demonstrates so vividly we have received good assistance from those who are our allies—namely the Republic of South Vietnam—but from those on the Communist side of the conflict we have received nothing but obstinate refusal to permit us to perform those duties which we were assured we could perform under the provisions of the Paris accords. Time marches on and if we are not allowed to inspect crash sites personally in the immediate future any site inspections will be useless for the evidence will have been wiped out by the forces of nature. Is this what the North Vietnamese and their allies desire?

The peoples of the world who believe in justice and whose word means something should unite to force those who are blocking our efforts to identify the fate of the missing-in-action, to insist that the North Vietnamese and their allies throughout Southeast Asia live up to the Paris accords and permit the onsite inspections which are needed and needed quickly.

Thank you.

Mr. PRICE of Texas. Mr. Speaker, when are we going to stop kidding ourselves—the Communists in North Vietnam, the Vietcong, the Pathet Lao, as well as their comrades in Russia and China are nothing but a pack of liars, and hoodlums who have risen to power by spilling the blood of the thousands and millions of persons who have stood in the way of their tyranny.

The report that has been furnished by SONNY MONTGOMERY ought to give this Congress as well as the administration ample reason to take strong and affirmative action to enforce our right to learn the exact whereabouts of those Americans who are missing in action because of the war in Vietnam. The Congress and the President of the United States asked, or rather ordered hundreds of thousands of young Americans to go to the jungles of Southeast Asia, and to fight for what they were told were the vital interests of this Nation. Many of them came back wounded and severely disabled, others came back in coffins, and still other have never come back. The wounded and disabled have been sent to Veterans' Administration hospitals to be mended and cured; our Vietnam veterans have been the targets of lavish promises by politicians who are out to win their affection and grati-

tude; and, of course, our servicemen who died in battle have been given the "full military honors" funeral and their widows and children have been presented a flag as the expression of gratitude of the Nation, as if to suggest they have been paid in full for their sacrifice.

But what about those men who have disappeared? For years we allowed American POW's to lie rotting in North Vietnamese concentration camps while the civilian military planners in this country tied the hands of the American military forces serving in Vietnam. And now that we allegedly have peace in Vietnam and our servicemen have all been allegedly returned home, I must ask where are the 1,140 men who are still listed as missing in action in Vietnam? What are the Communists hiding? Why are they afraid to repatriate the bodies of our known dead? Why are they afraid to allow us to inspect the areas where American servicemen were reported lost? Are they afraid that we will find American bodies which show telltale signs of having been tortured or mutilated? Or are they simply so cold-blooded that they would not even allow these servicemen the dignity of being laid to rest on American soil?

The time has come to quit kidding ourselves—détente is a joke and a farce. There is no peace in Vietnam; nor is there any "peace with honor." This Nation and this Congress ought to bury their heads in shame for the gutless and spineless manner in which our MIA's have been written off as expendable cannon fodder. I say this Congress committed the lives of American servicemen to serve in an undeclared, no-win war in Vietnam, and it is time for this Congress to commit the entire resources and will of this Nation to a full accounting of our missing servicemen. If necessary we should not hesitate to exert economic, moral, yes, and military pressure on the Communists in North Vietnam to live up to the requirements for a full accounting and repatriation of American servicemen who fell behind enemy lines. If we are too timid or gutless or self-concerned to do this, then, this Nation has reached a new day of infamy, and this one is of our own making. The time for action is now.

Mrs. HOLT. Mr. Speaker, the Communists of Southeast Asia have displayed a barbarian insensitivity toward American families who have endured suspenseful agony while waiting for some word of the fate of their men reported missing in action in Southeast Asia.

The failure of the Communists to observe the basic decencies was related to me by our colleague, Representative MONTGOMERY of Mississippi, upon his return from a factfinding mission to Southeast Asia during the Fourth of July recess.

I have a keen personal interest in his findings because of the families in my district afflicted with gnawing uncertainty on the fate of their men.

Representative MONTGOMERY performed a valuable service for us in using a recess to work on this important human concern. He spoke with leaders of friendly governments in Laos and

South Vietnam, and with the Communist leaders in Laos and South Vietnam.

He was told by all of the Communist officials that they would not permit American or other inspection teams into their territory to seek evidence at crash sites concerning the fate of missing Americans.

There are still 1,140 Americans classified as missing in action, and the bodies of another 1,266 who were killed in action have not been recovered.

Mr. Speaker, the numbers are not large as a proportion of our population, and indeed such losses would scarcely be noticed in collectivist societies where people are slaves of the state.

But the United States regards the life of the individual as important, and this great Nation of 200 million is concerned for every missing serviceman and his family.

We will continue persistently to urge the President and the Department of State to apply relentless pressure on the Communist leaders of Southeast Asia to allow American or neutral inspection teams to search for our missing men.

Mr. WON PAT. Mr. Speaker, I rise to speak on behalf of all Americans who are missing in action in Southeast Asia and those who were killed but whose bodies have not been recovered.

I also rise to commend our distinguished colleague, Congressman MONTGOMERY, for his great personal interest and concern over our fellow Americans killed and missing in action in Southeast Asia which prompted him to travel to the Far East during the Fourth of July recess in order to seek information on the fate of these men and bring it to the attention of the Members of the House.

Congressman MONTGOMERY's report on his praiseworthy mission illuminates the problems and obstacles we face in our attempt to find and recover the bodies of men killed and those missing in action. This is magnified by the revelation that some of our men are still alive in Southeast Asia. Of particular interest to me is Mr. Emmet Kay, the only American who is known to be still alive and held captive in Laos, where his plane crashed on May 7, 1973. I knew Mr. Kay on Guam, where he was a long-time resident, and where he was a civilian pilot with the Island Hopping Commercial Aviation airline. Mr. Kay was a great American, and was liked by all who knew him. Earlier this year, in February, I wrote to both the Department of State and Department of Defense, asking them to seek the release of Mr. Kay.

Mr. Kay's tragedy is shared by his wife and family, who are now residing in Laos, waiting hopefully for the day when he will return to them as husband and father.

I realize that American authorities have taken every measure possible to obtain Mr. Kay's release, as well as the release of other Americans still in captivity. The decision to free Mr. Kay, I understand, has to come from the Communist forces in Laos, but until now they have been able to delay freeing him through a series of technicalities.

It is my hope that the Communist

forces in Laos and other Southeast Asian countries will heed the appeals of the families of men like Emmet Kay and any others who may be held captive and release them as soon as possible. I also hope that they will permit American authorities to enter crash site areas and verify the fate of the 1,140 Americans classified as missing in action and allow the recovery of the bodies of 1,266 servicemen who were killed in action on their soil. Such a humanitarian gesture would, I am sure, be applauded by all the world and wholeheartedly appreciated by all the American people.

Thank you.

Mr. ASHBROOK. Mr. Speaker, I appreciate this opportunity to join with my distinguished colleague from Mississippi in discussing the situation of the more than 1,100 MIA's in Southeast Asia. In addition to these missing Americans, there are an additional 1,266 Americans who were killed in action and whose bodies have not been recovered. American families do not know what has happened to their loved ones because the Vietnamese Communists refuse to carry out their agreements made with the United States. The Paris accords which both the United States and North Vietnam signed were clear as to the responsibilities of each side. Article 8, paragraph (b) states:

The parties shall help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action.

The responsibility of the North Vietnamese to aid American efforts in this regard is clear. In the supplemental agreements of June 13, 1973, article 8, paragraph (b) was reemphasized.

The record of the North Vietnamese is also clear. They have been consistently opposing American efforts to gain information. Last December 15 an American without weapons who was searching for bodies of American men was killed by the Communists.

Looking at the historical record, I am sad to say that the record of the Vietnamese Communists is identical after the end of French involvement in Vietnam and it is now after the end of direct American involvement.

On July 20, 1954, during the Geneva Conference, the Vietminh Communists signed a treaty on the cessation of hostilities with the French Government. Article 21 of that treaty reads in part as follows:

All prisoners of War and civilian internees of Vietnam, French and other nationalities captured since the beginning of hostilities in Viet-nam during military operations or in any other circumstances of war and in any part of the territory of Viet-nam shall be liberated within a period of thirty (30) days after the date when the cease fire becomes effective in each theatre.

Eight years later on November 17, 1962, the North Vietnamese Government announced over radio Hanoi that:



After a rather long period of negotiations between the DRV (Democratic Republic of Vietnam) Government and the Government of the Republic of France on the repatriation of French soldiers who had surrendered, on 25 October the representation of the Republic of France sent a message to the DRV Ministry of Foreign Affairs stating that it had been authorized to work out a plan for transporting commencing November 1962, French soldiers who had surrendered and who had applied for repatriation. The message proposed that our government approve the French transportation plan.

In its 30 October 1962 message, the CRV of Foreign Affairs replied that it approved the transportation plan drafted by the French representation and asked that the French Government take the necessary steps so that repatriation can be carried out on schedule.

We have been more successful than the French in getting back our prisoners of war, but so far we have been no more successful in learning about our MIA's. We must realize that the Vietnamese Communists only understand strength. As can be seen by the record of torture and murder in both North and South Vietnam, they have no regard for humane policies. I urge the administration to pressure both the Soviet Union and Communist China—the suppliers of North Vietnam—to get an accounting of our MIA's.

Cannot détente even produce news about our American men missing-in-action and killed-in-action?

Mr. SMITH of New York. Mr. Speaker, I would like to thank the gentleman from Mississippi for calling this special order to discuss our missing servicemen. Not long ago we ended our active participation in the war in Southeast Asia and rejoiced in the return of some of our prisoners of war. But our involvement is not finished. We cannot forget that over 1,000 American families are the victims of Communist cruelty. These are the wives, children, parents and relatives of American servicemen still listed as POW's or MIA's. I am personally acquainted with one of these families and I wear a POW bracelet bearing their son's name as a physical reminder to take every possible opportunity to speak out on behalf of these missing men.

I fail to see where the Communists gain any advantage by refusing to at least inform these families of the fate of their loved ones. S. Sgt. James M. Roza, 25, son of Mr. and Mrs. Samuel Roza of 269 Mapleview Drive, Tonawanda, N.Y., is listed as a POW. He was last seen in June 1970 being transported into Cambodia by the Vietcong. He was alive then. Since that time, his parents have had no word of his fate. They have never heard from him. Their letters to him have not been returned. If he is alive, why has not he been released? If he is dead, how and when did it happen and where is his body? The Communists would have us believe the POW's do not exist. I choose to agree with returned POW Commander Brian Woods, who said:

I am not naive enough to believe they are all alive, but I am intelligent enough to know that some are.

My POW bracelet reminds me of a young man who cared enough about his

country to go and fight in a foreign land thousands of miles from home. Now is not the time for his country to forget him.

Mr. BAKER. Mr. Speaker, all of us recall the joy of welcoming home many of our men from prison in North Vietnam little more than a year ago. At that time there was hope that more would be following. Failing that, there was the sincere desire to pursue the search for information about the missing in order to close the files on the circumstances of their loss for the families of these men. The agreement in Paris provided for the cooperation of the North Vietnamese in these efforts. It has not been forthcoming. According to all observers, we have been denied permission to enter North Vietnamese territory to search for clues at site crashes. More than that, Captain Rees, a member of an unarmed U.S. identification team of the Joint Casualty Resolution Center, was murdered by the Vietcong on December 15, 1973, at the site of a crash scene in South Vietnam. There seems no doubt that advance notification of the inspection, which is required under the Paris accords, assisted in the setting of the ambush in which Captain Rees was killed.

There is no additional weapon available to us at this time other than that of world opinion. I believe the pressure of world opinion served in large measure to force the North Vietnamese to release our prisoners of war. That same world opinion could very well cause a change of heart in this matter of assistance in getting information on our missing-in-action. Let us send a message to Hanoi. We will not forget the 1,140 families who still await word from a missing father, brother, husband, or son. Let us remind them that this body is determined no trade or aid of any kind will be accorded Hanoi until they have complied with the Paris agreement with reference to the missing-in-action.

Mr. ARCHER. Mr. Speaker, I wish to commend the distinguished Member from Mississippi for requesting this special order.

One of the continuing tragedies of the war in Vietnam has been the lack of cooperation by North Vietnam to account for American servicemen listed as missing in action or listed as being killed in action or dying in captivity.

The Paris agreement was signed in January of 1973. Our hopes were high that peace would come to Indochina. American troops were withdrawn. Our American prisoners of war were returned. The level of violence in Indochina appeared to decline.

These hopes soon faded. The experience of the past year and a half has revealed that the North Vietnamese still remain determined to conquer the South Vietnamese and to bring the entire country under a totalitarian Communist control. The Communists in the north have brought into South Vietnam thousands of troops and war making materials such as tanks and artillery pieces. They have attacked the armed forces of the South Vietnamese and launched attacks on civilians including schoolchildren. One of the most discouraging parts of the continued violation of the Paris agree-

ment by the Communists has been their refusal to acknowledge the humanitarian pleas to provide information on Americans who are listed as missing in action or who died during the war in Communist-controlled areas. In open violation of the agreement they signed in January of 1973, they have refused to allow search teams to effectively inspect areas where American soldiers were shot down or were supposedly buried.

Americans were shocked last December by the brutal attack of the Communists on an unarmed body recovery team authorized under the Paris agreement. The North Vietnamese and the Vietcong had been notified 10 days beforehand of the search mission and had signed receipts that they knew about it. Yet, the Communists ambushed the group killing an American Army captain who had his arms raised in the air as a gesture of surrender and wounded four other American soldiers. Secretary of Defense James R. Schlesinger aptly described it as "a despicable act."

The Communist regime in Hanoi has been described as a harsh and cruel regime lacking humanitarian concern. The actions of the Hanoi regime in the MIA/POW question confirm this characterization.

Reports continue that American servicemen are being held as prisoners throughout Indochina. We do know of gravesites containing the bodies of American soldiers in Communist-controlled areas. The accuracy of these reports can only be verified if search teams are allowed into the Communist-controlled territories. The Communists have openly refused to permit American or neutral search teams to enter their areas of control and have severely limited the activity of the U.S. Joint Casualty Resolution Center team in the recovery of bodies of Americans who died in captivity.

It is essential that these men who risked their lives for the United States should not be forgotten in the aftermath of our experience in Indochina. We have an obligation to these men and to their families and we should not be satisfied until every single man—either dead or alive—is accounted for by the Communists.

There are 1,140 Americans classified as missing in action while there are 1,266 who were killed in action but whose bodies have not been recovered.

The leadership in North Vietnam have violated the Paris agreement by continuing to wage war against the people of South Vietnam and by refusing cooperation in accounting for American soldiers missing in action.

The United States must insist that North Vietnam abide by this agreement. The President and the Secretary of State should continue to press this matter with the North Vietnamese and Vietcong representatives. The United States should bring these violations to the attention of the International Control Commission and our country needs to focus world attention on this matter in the United Nations. We should urge our allies who trade with North Vietnam to bring up this matter in their discussions

with the leadership in Hanoi. We need to show the world that the North Vietnamese and Vietcong leaders have violated a pledge based on purely humanitarian concern.

It is essential that we continue aid to our allies in South Vietnam and Indochina in order to assure their strength against attacks from the Communists. It has become quite clear that we cannot rely on the word nor the pledges of the Communist regime in Hanoi. We need to keep up pressure on this regime so that they will honor their promise to account for our American servicemen missing in action. I personally shall not be satisfied until every single American serviceman is accounted for by the Communists.

Mr. STEELMAN. Mr. Speaker, I share the concern of my colleague, Mr. MONTGOMERY of Mississippi, in regard to the unaccounted-for servicemen in Southeast Asia.

As a cosponsor of House Joint Resolution 716, I have endeavored to find the information we need to ease the distress of the American families still uncertain about the fate of their men in service.

Those uncooperative governments which unfortunately have turned a deaf ear on our requests for information about any American prisoners of war, missing in action, and dead are blatantly disregarding the Paris Peace Agreements.

Until such questions about our servicemen have been answered to the satisfaction of Congress and the American public, the recently passed prohibition of aid, trade, and diplomatic relations with those nations failing to comply with peace treaty provisions concerning search efforts for missing American servicemen in Southeast Asia should remain in effect.

Again, I would like to commend the gentleman for his efforts.

Mr. FUQUA. Mr. Speaker, I can think of no set of circumstances that have caused me as much anguish and personal concern as has that of seeing American prisoners of war returning from Vietnam and determining the fate of our missing in action.

My concern and anguish is brought about in large measure because a number of these young men were from my district and I have talked with and attempted to console their families.

As I have stated previously, their's is a day without a sunset. The anguish, the hurt, and the pain are with them every moment. There is some comfort in knowing the fate of a loved one, even if that knowledge is that the loved one is gone.

It is quite another thing not to know. These families never know if there might be just one—yes, just one—prisoner remaining. The one prisoner might be their son, their husband, the father of their children.

What if that one prisoner is not their own?

To these valiant few, it would make little difference. They would continue to work with everything at their disposal for that one comrade of those who have fallen.

I put myself in the position of those families and say that we as a nation should take the same attitude. Since their number is not great when we con-

sider the total number of men who served in Southeast Asia, perhaps the country would like to put this out of its mind.

Those who do shame the memory of those who served, those who died, and those whose fate we do not know.

Just recently I introduced a resolution which would ask that the Secretaries of the various services not change the status of these men from missing to dead. These families know that such a change is merely one more nail into abandonment of all hope—and this is the one thing they can and will never accept.

It is difficult to understand the animal-like attitude of the Communists in this regard. These men are no threat to their security. We are not seeking battalions to fight their subversion. We simply seek something that any person with any degree of compassion and integrity would not only willingly grant, but would give their assistance.

To say that I understand their attitude would be the furthest thing from the truth. I cannot conceive of the mental attitude of these people in not helping us in finding out the fate of our sons, particularly in allowing us to search through rubble and debris at a crash site.

There have been many dark days in the time of man. There have been many periods when the inhumanity of one human being for another was manifest. This is one of those periods and will live in infamy as long as there is any spark of decency left in humankind.

This Nation owes it to those families not to swerve from our resolve to learn the fate of these men. As long as one is not accounted for, it should be our national resolve to determine his fate and bring an end to these endless days for their families.

Mr. BROWN of Ohio. Mr. Speaker, it is my pleasure to speak today on behalf of the many Americans who are missing in action, or have loved one who are missing in action, in Southeast Asia.

It has now been over 18 months since the Vietnam peace agreement was signed in Paris, bringing about the end of our commitment of troops in the Vietnam war, and we do not know what has happened to some of our soldiers in that war; 1140 of our men are listed as missing in action, and 1,266 others are classified as killed in action, although their remains have not yet been recovered. Included in this number are four courageous men from my own district that are listed as MIA. They are: Col. Floyd Richardson, U.S. Air Force, Fairborn; Col. David Zook, U.S. Air Force, West-Liberty; Col. John Hamilton, U.S. Air Force, Beavercreek; Col. Burris N. Beagley, U.S. Air Force, Beavercreek. In addition, some doubts exist as to whether or not all of our men who were captured were released to us as the peace accords required.

I am aware of the problems, both emotionally and economically, that the families of these men have endured. It is tragic that many families must still go through the agony and uncertainty of having a loved one missing in action. I share the concern of millions of Americans and urge that pressure be put on the countries of Southeast Asia so that American or neutral identification teams may

enter into the Communist zones to determine the fate of the many servicemen who are missing in action. It is imperative that this recovery and identification take place as quickly as possible.

Mr. RARICK. Mr. Speaker, I would like to commend the gentleman from Mississippi (Mr. MONTGOMERY) for taking this special order to once again remind the Members of the House of those Americans still listed as missing in action as a result of the Vietnam conflict.

I certainly join with our colleagues in urging the President to make every effort to account for these men who served our country in the Vietnam conflict.

It is imperative, I feel, that the administration exhaust all possibilities in attempting to determine the fate of these men before the Department of Defense takes action to change their classification and thus affect the benefits paid to their dependents.

Finally, Mr. Speaker, I would urge the administration to make every effort diplomatically for an onsite inspection of the contested areas in Vietnam so that this country can return the remains of the 1,266 known American dead in these areas to this country for proper interment.

Mr. Speaker, it is very important that we, as elected representatives of our people, take this action to reassure the families and loved ones of our MIA's that we do remember the sacrifice that these men made in defense of our freedom and that we do care.

Mr. STARK. Mr. Speaker, I rise to associate myself with the remarks of the gentleman from Mississippi. As that gentleman knows, one of my constituents shares his intense interest and involvement in MIA problems.

Mrs. Maerose Evans of Alameda, wife of Cmdr. James J. Evans, USN, the longest missing in action in naval history at over 9 years, expresses well the difficulties associated with the MIA situation. I wish to thank my colleague from Mississippi and others who met with her during her recent visit to Washington to share her thoughts on the subject. My thanks certainly go to Mrs. Evans, as well. Her letter to me follows:

ALAMEDA, CALIF., July 15, 1974.

Congressman PETE STARK,  
Longworth Building,  
Washington, D.C.

DEAR CONGRESSMAN STARK: I very much appreciate your assistance and that of your staff while I was in Washington last week. I felt it necessary to go to the Capitol so that the Congress and Officials could hear firsthand someone speak up for the majority of men who are missing in action.

My husband, CDR James J. Evans USN, is the man longest missing in action in Naval history, over nine years three mos. I have served on the Board and been Western Regional Coordinator of the National League of Families of American Prisoners and Missing in Southeast Asia for the past four years. I have been active locally and nationally in making the world aware of the prisoner/missing problem, have studied Southeast Asia, the prisoner treatment in other wars, the French Indochina experience, and traveled to Laos in 1973.

The overwhelming majority of missing in action men are professional military men and knew very well what they were doing. They were honorable, were willing to serve



this country and their integrity had no cash redemption value. Each knew his military service would do what was necessary when necessary. They did not wish to remain missing in action forever because some families refuse to face facts and are venting their frustration and bitterness on the United States government. It is not the United States that can account for these men.

Congressman G. V. Montgomery's detailed and realistic report only confirms what the Defense and State departments have long noted. Congressman Montgomery has been an outstanding advocate and friend of the men and their families. I thank him for his dedication to this cause.

It is time for the families to face the grim reality of the situation. A man cannot remain missing forever. It is more than time for the Defense Department to obey the law and proceed with determinations on an individual basis recognizing that each case is different and will be reviewed accordingly.

We, the families, have received many considerations and privileges for which we are grateful. No other group in military history has received such concern. There were 80,000 missing in action in World War II, 7,000 missing and prisoner in Korea, and 49,000 killed in Vietnam. Were those men and their families deserving of less than we have received?

Circumstances have changed; the prisoners have come home, there is no evidence that anyone but Emmet Kay is alive, and a change in status does not negate the necessity for North Vietnam to comply with article 8(b) of the Paris agreement.

We are grateful for all you have done for us. It was appropriate for the period due to the peculiar circumstances of this war, but we must move on. Some cases will never be resolved because of the very nature of war and the difficult terrain. Even in Peacetime, it is not possible to account for missing persons as you all are aware of the tragic disappearance of Congressmen Boggs and Bechich last year.

The time has come when the Defense department must be allowed to proceed under the law, a law that is reasonable and just. And, perhaps in some way the families will finally obtain peace of mind.

Thank you,

Mrs. JAMES J. EVANS.

Mr. DON H. CLAUSEN. Mr. Speaker, at the outset I would like to commend the gentleman from Mississippi for his personal involvement and commitment to determining the status of those men listed as missing in action. It is both proper and important that Congress not forget nor become apathetic to this tragic denouement of a tragic war, and I again commend the gentleman for taking this special order to focus attention on the problem, which hopefully will renew our commitment to finding its resolution.

Mr. Speaker, before the signing of the Paris agreement, there was no doubt that public opinion greatly affected the efforts to obtain information on our POW's—it affected their treatment by the North Vietnamese, and it played an important role in eventually securing their release. If we can generate the same degree of public sentiment; this, coupled with the kind of vigorous and imaginative diplomacy and bargaining which brought an end to the war, can influence the DRV and PRG on this issue.

My heart goes out to the families and loved ones of the 1,200 men who are still unaccounted for. I do not recall who said it, but the very human side of this issue makes it worth repeating: Almost worse

than death to those who wait, is the uncertainty of it.

#### THE EROSION OF OUR ECONOMIC FREEDOM BY INFLATION AND GOVERNMENT SPENDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, our economic freedom is being eroded by both inflation and out-of-control Government spending.

It must be stopped.

Let me use a graphic means to explain just how bad inflation and Government spending are out of control.

Take a dollar bill out of your wallet, purse, or pocket for a moment.

Look at it and pretend that it is 1969.

It is all there—1 dollar, 100 cents.

Now, imagine that 25 percent—a full quarter of the dollar—has been snipped away with a pair of scissors.

If you do, you know that it is the summer of 1974, for the full value of the 1969 dollar is now worth only 75 cents; 25 cents have been lost by inflation.

And, of course, the rate of inflation has been much worse in several major categories of spending.

The cost of living has risen most sharply with respect to the price of food, fuels, and utilities. So, the value of your dollar—as to these items—is even less.

We are told—and I believe it—that if inflation continues at the same rate as the past 5 years the 1969 dollar will be worth only 57 cents by 1979.

Now, take out another dollar bill.

Look at it and pretend that it represents your work—a year of work, or a month, a week, a day, or even an hour. It represents what you are paid—the total amount—for the sweat of your brow or the rigors of your mind—your total income.

Look at it again. Pretend that 43 percent—over two-fifths—is gone—cut off down to the George Washington picture oval.

Where did it go? It went to pay your taxes—Federal, State, and local—income, real estate, sales, inheritance, gift, gasoline, and a myriad more.

The average American wage earner pays an astounding 43 percent of his gross personal income in taxes each year. That means that during each year you work 22.3 weeks for the Government—from January 1 through the last week of May for the Government.

The share of your gross personal income taken by Government in the form of taxes was only 15 percent in 1930, but in 20 years—1950—it has doubled. By 1972 it was in excess of 40 percent.

If present trends continue, Government's share of gross personal income in the United States by 1985 will stand at 54 percent—over half of our earnings.

And, of course, both taxation and inflation hit everyone of us. Taxes are the visible means by which Government takes from the wage earner; inflation is the hidden tax—by eroding your purchasing power—that Government also takes from the taxpayer.

It took this country 185 years to get to an annual Federal spending level of \$100 billion, but it took only 9 years more to double that to the \$200 billion level, and then only 4 more years to reach the \$300 billion level.

If this rate of spending continues at the same accelerating pace, the public sector demands upon the "breadwinners" to produce for their families and futures and on the abilities of private enterprise to produce the wealth of the Nation will lead to a breakdown in our economic system within the next 10 years.

No one can say accurately that our economic freedoms are not being endangered by Government spending and inflation.

Does one have genuine economic freedom when one gives up nearly half his income to Government?

Or, when he involuntarily surrenders his purchasing power because of Government-created and Government-fostered inflation?

Or, when he cannot plan his future and that of his children—for school, for retirement, or for whatever—because Government's policies are so unpredictable and are so corrosive of his livelihood?

I think not.

The essence of economic freedom is freedom of individual choice in the marketplace.

Does one have that freedom when one cannot get a loan—for himself or his business—because the money is so tight and the interest rates so high?

Or, when his life savings can be wiped out in several years' time by double-digit inflation.

Or, when he cannot buy a product or pay a freely negotiated price for it because of Government-control created shortages on one hand or mandatory price regulation on the other?

I think not.

Now, put those \$2 you took out back into your pocket, purse, or wallet. Tomorrow, unless Congress acts decisively to bring this pending economic crisis under control, they will be both subject to higher taxes and worth less because of inflation.

We hear talk today about what this country needs is a veto-proof Congress. That slogan does not address itself to the real problems facing our country at all. To the contrary, it may divert us from them.

What this country really needs is an inflation-proof Congress.

We need a Congress which will protect the general well-being of the people through putting the economic interest of all the people in the solidity of their dollars above those particular economic constituencies which seek Government spending only in support of themselves.

We need a Congress which will hold the line on spending, a Congress that recognizes that Government cannot continue to take ever-increasing percentages of the people's wealth—the product of their labors—their livelihood—without jeopardizing the inalienable economic and political freedoms essential to our economic progress.

We need a Congress which will insure the future growth of our economy

through an increase in the per capita capital investment in our productive capacity. History shows us clearly that the only real way to boost the standard of living is to increase the per capita investment of capital. It is essential for today and for our future.

We need a Congress which will insist that inflation be slowed and stopped by tying the increase in the production of additional money supply directly to increases in productivity. When new dollars are added to the economy, and yet production has not been added, the value of each dollar previously held is lessened. We all become a little poorer. This is inflation. Inflation is directly related to an issuance of money for which there is no increase in productivity. That must be brought under control.

We need a Congress which will insure actions—deeds—to reinforce its words in the enactment of the historic Budget Control Act, the bill which provides the Congress with the machinery to play a greater role in the formulation of our Federal budget.

We need a Congress which will insist that no existing Federal programs be refunded, year after year, simply because they were funded previously. We should insist that every program which consumes taxpayer's dollar be required to justify to the Congress why it should continue to be funded. Not because it supports a bureaucracy; not because it hires Federal employees. Rather, because it does a needed job assigned to it by Congress and does it well. Otherwise, we should not fund it.

We need a Congress which recognizes that control of Federal spending is not as effective as controlling the revenue from which that spending is made. If the modern thesis is true, that present spending rises to exceed present income, then, while holding the line on spending is important, it is never as effective as establishing a fixed, revenue ceiling—a percentage of tax dollars computed in terms of gross national personal income—beyond which Government could never go. The people would be assured that Government would never take a percentage of their income greater than that now being taken—and, hopefully, we could start to roll it back. But, once that revenue limitation is established, it would force the Congress—as a self-imposed mechanism—to make those tough, hard decisions on priorities between competing programs—existing and proposed.

This, Mr. Speaker, would be an inflationproof Congress.

This, Mr. Speaker, we very much need.

#### THE STRATEGIC ARMS IMBALANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, there has been a great deal of discussion in recent weeks on the growth of an alarming disparity that threatens to upset the strategic nuclear balance be-

tween the world's two great superpowers, the United States and the Soviet Union. Similar disparities threaten in other areas and they must be examined to determine future U.S. policies with regard to her primary challenger for world leadership. These include not only the strategic disequilibrium that could lead to a nuclear confrontation, but also a growing gap between United States and Soviet seapower, as well as a sizable disparity in conventional forces. But, in our concern to maintain a strategic and conventional military power parity with the Soviets, we must not overlook the possible development of Russian economic strategies designed to tip the world political balance in their favor. An analysis of these strategies should include an accurate assessment of the Soviet resource and technology base—including potential bilateral trading agreements that might be concluded between the Soviets and the less developed and developing nations of the world. This economic analysis should also include an overview of Soviet energy capability—especially in light of our own problems in this vital area.

#### DANGER FOR THE UNITED STATES IN GROWING POWER IMBALANCE

There are indications that the Soviets are moving ahead in several areas to close the power gap between the United States and the U.S.S.R. If we fail to grasp the significance of these moves and fail to develop appropriate national and international policies to counter these Soviet initiatives, our position of world leadership will be in great jeopardy. And, I might add, that any erosion of our position as the leading world power will eventually translate itself into cruel economic and political realities with which every American will have to contend. If the Soviets get the edge on the United States in strategic nuclear power, there is no guarantee that some future Kremlin regime would not use this perceived Soviet superiority to force their hand in some future international confrontation. They could do this by one of two means: The first, and perhaps least likely, would be a direct nuclear attack against the United States. The second, and more plausible possibility is the threatened use of Soviet nuclear superiority to force the United States to capitulate to Soviet demands. The international humiliation and loss of prestige the United States would suffer in the international community as a result of such a "backing down" would impact upon every aspect of our American way of life—economic, social, and political. Our allies are just as watchful for signs of weakness as our adversaries. I do not denigrate their motives for being alert to any indication of U.S. weakness. The stability and survival of their own countries must be the No. 1 concern of each of our allies. And stability and survival in the world today is tied very closely to the effective use of power. The United States is almost singular in its national aversion of ostentatious displays of power. We make every effort to play the role of the humble giant. We bear with

enormous dignity the outrageous assaults that are made on our national integrity by lesser nations. When they impugn our motives, we turn the other cheek. When we engage in international negotiations, we make every attempt to be self-effacing and conciliatory. And when we enter an armed conflict with a lesser opponent, we tie one hand behind our back, figuratively speaking. We must take care lest this international chivalry be misinterpreted as symptomatic of an inherent national weakness—a reluctance to fight for what we think is right. Chivalry is the prerogative of the strong; it must not be confused with the unassertiveness of the weak. We are dealing with adversaries who have a keen appreciation of power. This is why it is imperative that our on-going negotiations with the Soviets be conducted from a position of strength.

I am not suggesting that the United States need embark on a new, unrestrained arms race. It is precisely to avoid these circumstances and to put boundaries around arms competition that we are engaged with the Soviet Union in SALT II. And it is to achieve a similar objective, through a more stable balance at lower force levels in Central Europe, that we and our NATO allies are engaged in negotiations on mutual and balanced force reductions with the Warsaw Pact states. While we pursue negotiations on mutual reduction of arms in furtherance of détente, however, we must maintain worldwide military equilibrium. There is no incongruity in this position. As I stated earlier, we are dealing with an adversary that appreciates strength. The difficulties we are encountering in the SALT II negotiations are in part a reflection of a Soviet perception of a gradually weakening U.S. position.

#### CLUES REGARDING SOVIET INTENTIONS CONTAINED IN INITIAL DRAFT TREATY FOR SALT II

It is now apparent in both the new intransigent Soviet attitude in the SALT II talks and in their recent arms buildup, that the U.S.S.R. is intent on upsetting the rough balance established by the interim Russian-American agreement signed in May 1972 by President Nixon and Leonid Brezhnev in their first Moscow summit meeting. That agreement, effective for 5 years until 1977, conceded to the Russians an overall numerical advantage in total missile strength: 2,328 land-based and submarine-based missiles against 1,710 for the United States. Also, a further advantage for the U.S.S.R. was granted to the Soviets in the power of its missiles—the so-called "throw weight."

Counterbalancing these two Soviet advantages has been the substantial U.S. edge in the number of individual warheads that can be fired at targets in the Soviet Union. What made this advantage possible is the lead the United States has in fitting multiple warheads to a large part of its missile force.

But the U.S. advantage in warheads is not explicitly covered by the interim agreement signed in 1972. Presumably, it is covered by a tacit understanding which is not binding. Now that the Soviets have tested successfully four new



missiles with their own multiple warheads, they are in a position to challenge this U.S. advantage without technically violating the SALT I agreement.

If Moscow should proceed to deploy these new, heavier, more accurate missiles, armed with multiple warheads, the message would be abundantly clear—that Russia is determined to bid for strategic superiority over the United States and perhaps even bid for the capacity to threaten America's entire land-based missile force in a surprise "first strike."

The initial draft treaty submitted by the Russians in the SALT II negotiations gives some clues as to Soviet intentions. Although it was drawn up to limit competition in offensive nuclear weapons, it would:

First, consolidate permanently Russia's numerical advantage over the United States in missile strength;

Second, prohibit the United States from deploying "new" weapons, such as the Trident submarine, but permit the Soviets to deploy four new missiles that have just been tested;

Third, require the United States to give up its nuclear submarine bases in Holy Loch, Scotland, and Rota, Spain; withdraw from Europe all warplanes that can reach Soviet territory, and close down the bases from which they operate;

Fourth, ban so-called aerodynamic missiles—standoff bombs that would give the U.S. strategic bomber force its real punch; and

Fifth, provide for negotiations to control MIRV—multiple independently targeted warheads—after these other conditions are conceded by the United States. Control of multiple warheads is a primary American aim.

In order to accurately assess the significance of these new Soviet attitudes and actions, we should retrace our steps back to SALT I to review the terms of the agreement, to study the initiatives that have been taken by the United States and the U.S.S.R. under the terms of the interim agreement, and to assess the relative strategic power position of both the United States and the U.S.S.R. at the present time.

#### SALT I AGREEMENT AND BEYOND

The following chart shows the principal United States and U.S.S.R. ICBM's currently deployed. At the bottom of the chart are the number of ICBM launchers that we associate with the interim agreement. The numbers in parentheses indicate the U.S. estimate of new U.S.S.R. silos under construction on the date the agreement was signed:

CHART No. 1.—Comparison of United States and U.S.S.R. ICBM's

United States:	
Titan II	54
Minuteman I, II, and III	1,000
Total	1,054
U.S.S.R.:	
SS-7, SS-8	208
SS-9	313
SS-11, SS-13	(66) 1,096
Total	1,618

The interim agreement established limitations on the deployment of strategic forces by both the United States and the U.S.S.R. Both parties are limited to a relatively large but unequal number of fixed land-based and submarine-launched strategic offensive ballistic missile launchers. With but one important exception—the size of the ICBM silos—the interim agreement places no significant constraints on the qualitative characteristics of the missiles or the launchers. Moreover, it is also important to recall that the agreement places no limitation on other types of strategic offensive weapons—long-range bombers, cruise missiles, and air and sea-based mobile launchers, other than on submarines.

Under the interim agreement, ICBM launchers are classified by age and size. The year 1964 divides launchers for modern ICBM's from older types deployed prior to that date—for example, SS-7, SS-8, and Titan II. There is no agreement on a general definition of "heavy," but a unilateral U.S. statement provides that a "heavy" ICBM is an ICBM having a volume significantly greater than that of the largest "light" ICBM operational on either side at the time the interim agreement was signed. Therefore, under this definition, the SS-11, SS-13, and Minuteman are "light" ICBM's. No additional fixed, land-based ICBM launchers may be constructed by either party after the freeze date of July 1, 1972—but modernization and replacement may be undertaken.

#### SALT I TERMS ALLOW CONVERSIONS INTO SLBM'S

The agreement prohibits converting any of the older or light launchers into launchers for modern heavy ICBM's, but SLBM launchers may be substituted for the "older" launchers if desired. Under the terms of the agreement, therefore, the United States could modernize all of its 1,000 Minuteman launchers and its 54 Titan II launchers to Minuteman III or any other modern light ICBM, but it could not replace any of the Titan II or Minuteman launchers with modern heavy ICBM's. Similarly, the U.S.S.R. could modernize all of its ICBM's, but only the 313 SS-9 associated launchers—288 operational SS-9's and 25 new silos under construction in SS-9 complexes at the time the agreement was signed—can be converted to new "heavy" ICBM's.

All of the 1,030 SS-11 and SS-13 launchers, operational at the time the agreement was signed, may be modernized for new light ICBM's. New light ICBM's may also be installed in the 66 new silos, under construction at the time of the agreement, provided the dimensions of the launcher are not increased by more than 10 to 15 percent. As previously mentioned, the 209 older SS-7 and SS-8 launchers—and 54 U.S. Titan II launchers—may be replaced by SLBM launchers.

These older SS-7's and SS-8's, deployed in both hard and soft sites, are the first Soviet ICBM's shown on chart 1. The Soviet Union will probably sub-

stitute SLBM launchers, under the terms of the interim agreement, for some of these launchers.

The SS-9 is a very large ICBM with four different versions. The SS-9 MOD 2 has a single reentry vehicle—RV—with the largest yield of any known ICBM and constitutes the bulk of the SS-9 force. The MOD 1 also has a single RV, with a slightly higher yield. To date, there are insufficient numbers of these missiles deployed to constitute a significant threat to our total Minuteman force.

The SS-9 MOD 3 has been tested in both a depressed trajectory mode and as a fractional orbital bombardment system—FOBS—but it is not believed to have been deployed at any of the regular SS-9 complexes.

The MOD 4 has received the greatest attention recently because it indicates the Soviet intention to develop MIRV's.

Three versions of the SS-11, viewed as the Soviet counterpart to our Minuteman, have been tested, but only two versions have been deployed—MOD 1 and MOD 3. Extensive testing of the MRV version of the SS-11—MOD 3—has been conducted since 1969, and has been a successful effort for the Soviets. It is believed that the MOD 3 was initially developed to facilitate penetration of ABM defenses by multiplying the number of warheads to be dealt with by a defender. Despite the severe restrictions on ABM defenses imposed by the ABM Treaty, the U.S.S.R. is deploying rapidly the SS-11 MOD 3. Therefore, it must see advantages in utilizing the MOD 3 against undefended targets, as well as defended ones, probably because of greater targeting flexibility and accuracy.

The last Soviet missile shown on chart 1 is the SS-13, the only solid fuel ICBM in the operational inventory. Only 60 SS-13 launchers have been deployed. Chart No. 2, which follows, indicates these new U.S.S.R. ICBM developments. The Defense Department does not yet have sufficient information on the four new U.S.S.R. ICBM's being tested to provide physical comparisons, similar to those shown on chart 1 for currently deployed ICBM's. However, certain characteristics may be noted.

CHART 2.—NEW U.S.S.R. ICBM'S

	SS-X-16	SS-X-17	SS-X-18	SS-X-19
Follow-on.....	SS-13.....	SS-11.....	SS-9.....	SS-11.....
Range [NM].....	5,000 <sup>1</sup> .....	5,500 <sup>1</sup> .....	5,500 <sup>1</sup> .....	5,500 <sup>1</sup> .....
MIRV warhead....	Probable.....	Yes.....	Yes.....	Yes.....
Estimated number of MIRV's.....	(?).....	4.....	5 to 8.....	4 to 6.....
Digital computer..	Yes.....	Yes.....	Yes.....	Yes.....
IOC.....	1975.....	1975.....	1975.....	1975.....

<sup>1</sup> Over.

SS-X-18 is a large two-stage, liquid propellant ICBM, probably intended as a follow-on to SS-9. The most significant new characteristic is the addition of a "bus-type" MIRV system with an on-board digital computer. This new post-boost vehicle (PBV) is similar to the one employed in our Minuteman III and Poseidon. It is believed the SS-X-18's will probably have the capability of dis-

pensing five to eight independently targeted warheads. Increased accuracy is a definite goal of the new test program. Recent tests have employed a single RV, indicating a continuing interest in a large warhead with greater accuracy.

The SS-X-17 and the SS-X-19 are considered follow-on missiles to the SS-11, with one to be chosen for ultimate deployment to replace the SS-11. Both systems have on-board computers and have been tested with MIRV warheads. One or both of these systems could be deployed in 1975.

The SS-X-16 is the only new solid propellant ICBM being tested by the U.S.S.R. and is a logical successor to replace the 60 SS-13's in silos. The SS-X-16 is about the same size as the SS-13 but has greater range and payload capability. There are indications that the Soviets are developing the SS-X-16 with the option of deploying it as a land-based mobile ICBM.

So far, the SS-X-16 has been tested with only a single RV. Nonetheless, there are indications that the U.S.S.R. plans to develop a MIRV payload for the SS-X-16 similar to the other three new ICBM's.

#### COMPARISON OF U.S. AND U.S.S.R. ICBM FORCES

Shown on chart 3—not reproduced in the RECORD—are the latest Defense Department projections of U.S. and U.S.S.R. ICBM forces, assuming the limitations incorporated in the interim agreement remain in effect. It is estimated that the U.S.S.R. at mid-1973 had a total of 1,547 operational ICBM launchers—1,527 at the time of the interim agreement in 1972, plus 20 SS-11 MOD 3's now operational in new small silos. The remaining new silos probably will be operational by mid-1974 giving the U.S.S.R., at that time, a total of 1,587—only 31 short of the estimated SAL ceiling. By mid-1975, the new large silos are estimated to become operational with the SS-X-18 missile system.

It is DOD's estimate that the Soviet ICBM force over the next 5 years will be closer to the lower interim agreement limit of 1,409 ICBM's than to the upper maximum limit of 1,618—1,409 ICBM's is the limit if all of the older ICBM's are replaced by SLBM's. This estimate is based on the belief that the Soviet Union will exercise its option to replace the older, less effective ICBM's with modern SLBM's. It is likely that the remaining ICBM's will be modernized by replacing them with the new systems already described.

#### CHART NO. 4—SIGNIFICANT U.S. AND U.S.S.R. INITIATIVES STRATEGIC OFFENSIVE SYSTEMS ICBM

**United States**  
Minuteman III.  
Silo modification.  
**U.S.S.R.**  
SS-X-16.  
SS-X-17.  
SS-X-18.  
SS-X-19.  
New Silos.  
SS-11 MRV.  
Silo Modification.

**United States**  
Poseidon conversion.  
Trident.  
C-4.  
**U.S.S.R.**  
SS-N-8.  
Delta.  
SS-N-6 improvements.

**United States**  
B-1.  
B-52 modifications.  
**U.S.S.R.**  
Backfire.

#### SIGNIFICANT U.S. AND U.S.S.R. INITIATIVES IN STRATEGIC OFFENSIVE SYSTEMS

Chart 4 provides a graphic comparison between United States and USSR initiatives in strategic offensive systems. In contrast to the Soviet Union's dramatic program, ongoing U.S. initiatives in the strategic arena are modest and deliberate. The United States is carrying out advanced development work on improved ICBM technology, and continued improvements are being made in both Minuteman II and III systems.

By the end of fiscal year 1975, all Minuteman I's will be replaced by Minuteman III's. Additionally, the harness of Minuteman II and III missiles and silos is being upgraded and a command data buffer system is being installed to permit the rapid remote retargeting of Minuteman III missiles. These improvements are designed to increase the survivability, flexibility, and responsiveness of the U.S. Minuteman force. Work is to begin on technologies for two new missiles that could replace the Minuteman in the 1980's. One is a missile with a big nuclear payload that could be installed in existing Minuteman silos. The other is a mobile missile that could be launched from a moving platform on the ground or from an aircraft. How fast and how far these ICBM programs are carried in the United States will ultimately depend on what choice the Russians make—arms limitation or arms race.

A comparison of United States and U.S.S.R. SLBM forces, strategic bomber forces and conventional forces will be the topic of another statement I will make tomorrow.

#### TRIBUTE TO KEN GRAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, I am today introducing—on behalf of the entire Illinois delegation—a bill to name the new Federal Office Building in Carbondale, Ill., after Ken Gray. As we all know, our colleague is retiring this year, having represented the 24th District of Illinois since the midfifties. As chairman of one of the Public Works Subcommittees which has ushered through so many valuable projects, I can think of no more fitting tribute to Ken than for Congress to pass the legislation we are sponsoring

this afternoon. I urge the bill's immediate and favorable consideration.

#### HOUSE JOINT RESOLUTION 1059 INTRODUCED TO FOSTER NUCLEAR FREEDOM OF THE SEAS

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, the Joint Committee on Atomic Energy has been approached a number of times over the past few years by the Chief of Naval Operations, Admiral Rickover, and officials of the Defense Department and of the State Department about a problem concerning the operation of our nuclear Navy abroad. These concerns arise out of the fact that an increasing number of foreign governments are perplexed about the apparent inability of the U.S. Government to provide the kind of legal assurances that are expected today with respect to the satisfactory disposition of any claims for nuclear accidents that might arise out of the operation of our nuclear navy in the course of its visits to foreign ports.

I recognize that we are dealing with a somewhat nominal situation since our nuclear warships have an unparalleled reactor safety record. I expect this record to be maintained because I am personally aware that this Government has committed itself to building into our nuclear powered warships the kind of devices that have enabled the United States to achieve its outstanding safety record.

At the same time, however, national security considerations dictate that this technology must be stringently controlled and safeguarded.

This in turn raises a dilemma for those who cannot have access to the technology. On the one hand, they have seen the safety record we have achieved and, on the other hand, they are perplexed by our apparent unwillingness to demonstrate our faith in the future of this record by providing them with the kind of legal assurances that have come to be expected in the light of the trend of the law with respect to claims arising from nuclear reactor accidents.

The executive agencies have advised that they believe that those kind of assurances are in order and that they would like to be able to provide them if they had the necessary legal authority. They point out that there is sufficient question as to their authority to deal with any claims that might result from such nuclear reactor damage situations on a strict liability basis that it would be highly desirable for the Congress to enact a provision which would clarify the situation. Indeed, one concern is that existing legislation of possible relevance, may be understood to reflect a congressional policy that the U.S. naval authorities should not be providing the friendly governments of the ports our nuclear fleet are visiting abroad with the desired assurances.

I can assure you that my colleagues



on the Joint Committee never intended to interpose any legal difficulties for our nuclear fleet which carries such a national security burden on behalf of the free world. Indeed, we are prepared to help lead the way in formalizing a declaration of national policy that friendly governments, receiving our nuclear fleet in their ports should be extended the assurance in principle that, in the unlikely event of a nuclear accident arising out of the operation of one of our nuclear warships, the U.S. Government will be strictly liable to honor valid claims for damage sustained from the incident. This is only fundamental and is completely in accord with the good faith strictly liable to honor valid claims for Act of 1954 as amended.

I believe therefore, that the time has come to facilitate the free movement of our nuclear Navy into foreign ports with a general declaration of policy measure, such as the House joint resolution, which I introduced earlier today.

#### OBSERVATIONS ABOUT U.S. CHEMICAL WARFARE POLICIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 15 minutes.

Mr. FRASER. Mr. Speaker, we have seen in recent months many comments about reevaluating U.S. chemical warfare policies. I would like to add a few observations.

Five days of hearings before the Foreign Affairs Subcommittee on National Security Policy and Scientific Developments were based, in part, on the fact that this Nation, one of the first to lead the world toward a rational treaty prohibiting chemical warfare, still remains the only major world power that has not ratified this treaty, the Geneva Protocol of 1925. It is certainly important that the President, and preceding Presidents, have indicated that it is not the intent of this country to initiate a chemical attack. Nevertheless, we have not ratified the treaty. For this reason, the announcement of U.S. intent to procure a binary chemical weapon has greater significance than it would have if the United States had formally ratified the treaty.

During the recent hearings, as well as in testimony before the House and Senate authorization and Appropriations Committees, the issue of U.S. chemical warfare policies was discussed in a vigorous debate that continues. The chemical threat to our security as described by the Department of Defense during these various hearings is very speculative. The issue is not as simple as these brief public statements indicate. It has been stated that the Soviet Union has a chemical warfare capability superior to the ability of the United States to defend itself. This defensive estimate and an estimate of the Soviet offensive capability have been offered as justification for this country to switch to the new binary chemical weapons system as proposed in current appropriations requests. This

threat estimate is not new. It is the same estimate the Congress has been hearing for almost three decades in justification of millions of dollars of chemical warfare materials.

There is a strange ambiguity in many of the arguments supporting the U.S. Army proposal to initiate a multimillion-dollar program for the binary weapon. The rationale for this proposal is ambiguous; perhaps a better word is puzzling. The potential enemy is said to be superior to this country in defensive capabilities. It is held that this same enemy has an intention and a superior capability to launch an offensive war with chemical weapons, and that unless we retain chemical weapons we will lose the battlefield to this superior chemical force. No one explains how a defensively inferior force can counter a defensively superior force simply by retaliating in kind.

The U.S. Congress was advised during the period following the Second World War that powerful new chemical warfare agents were available. We were warned then, as we are being warned today, that if we failed to add these new nerve agents to our arsenal, we would lose a significant battlefield option, seriously handicapping our capability to counter enemy forces.

The Congress responded to the serious tone of these Department of Defense warnings by providing hundreds of millions of dollars for the procurement of chemical weapons and for the construction of two separate nerve agent plants; one for the manufacture of the nerve agent known as GB and the other for the manufacture of the nerve agent known as VX. These plants provided such a tremendous production base that it was necessary to operate them for only a short time. The military need for these agents was met and the chemicals were added to our stockpiles in bulk quantities. The production plants were then shut down.

At the same time, a significant program in CW—chemical warfare—research development, testing, and engineering was launched. A wide range of munitions to deliver these nerve agents under a variety of tactical situations was made available. When available U.S. chemical weapons are examined, one suspects that some of these weapons may even have been considered for use in so-called strategic warfare; the installation of chemical nerve agents in multi-device warheads in missiles for long range attack certainly suggests the potential for strategic use.

In justifying these weapons, the Congress was advised that the best engineering talent and a thorough process of testing would be utilized to insure that these weapons met all military delivery requirements. These weapons were added to our stockpiles of chemical munitions in quantities which were adequate to meet the military requirements as stated during the fifties and sixties. There was little opposition to this weapons procurement program after the Second World War primarily because these weapons were treated with such secrecy.

Congress knew very little about their characteristics and still less about the extent and nature of their intended use.

The lid was blown off this secret weapons program when several events received public attention. A serious accident during the testing of a chemical weapons system illustrated the potential for harm to those residents near the test area although there was no harm done to human beings. Public concern about the environment unearthed the information that leaking chemical munitions were being disposed of at sea in a cavalier fashion. The transport of these weapons from stockpiles to dumps at sea, while carefully guarded and routed, exposed Americans to unnecessary risk during a time of peace when such risks were not acceptable.

One reason that weapons disposition was haphazard was poor engineering. The weapons systems had not been designed to take into account the problems associated with demilitarization of the weapon at the end of the maximum storage life.

The fact still remains, however, that the military has a good record of handling, storage and testing of extremely potent weapons. Thus far, no Americans have been hurt by any of these activities. The changes forced on the military by the Congress as a result of these incidents have further improved the maintenance of these weapons. The military must now be responsive to Congress concerning the potential environmental impact which the destruction of obsolescent chemical weapons or the destruction of stockpiles of bulk quantities of nerve agent considered to be excessive to national needs may have. Transportation plans for these weapons require public review. Funds have been provided by the Congress for the design and construction of systems for the destruction on site of many of these toxic weapons. There need be no threat to the public health. Transportation through populated areas is no longer necessary.

It is against this background of an existing and strong CW program that we in the Congress are now being asked to support the initiation of a "modest" new binary chemical weapon program. The sum of \$5.8 million is "modest" in a budget of hundreds of billions of dollars. But the \$5.8 million is only the beginning of a program which admittedly will cost at least \$200 million, and very likely \$2 billion. During our hearings, Department of Defense witnesses indicated that they were not sure when they would spend the \$5.8 million requested to start the program. The urgency of a program justified in these terms is questionable. Further, it is difficult to believe that the national security would be threatened if this new binary chemical program remained unfunded. No one seriously advocates the immediate destruction of all stockpiles of chemical munitions and stockpiles of bulk quantities of nerve agents. Even those witnesses at the various hearings who have proposed this for consideration usually qualified their remarks by acknowledging the need for

renewed emphasis and higher priority on the negotiations at the Geneva conference on Chemical Warfare Disarmament.

The request for the binary chemical weapon is presented with the implication that the United States will be helpless unless this weapon is procured immediately. One must ask what has happened to the production plants Congress has already authorized to provide nerve agents to meet this same threat. We have the capability to manufacture more nerve agent than possibly could be required for any conceivable tactical situation.

We have chemical munition stockpiles which have deficiencies but none so serious that the national security is threatened. We have bulk agent stored which could be transferred to munitions while the plants go back into production. Stockpile requirements seem to fluctuate depending upon political circumstances but the United States hardly seems outclassed with regard to current capabilities. No matter what opinion one has with regard to the deterrence value of these CW stockpiles, the fact remains that we do have large stocks. These provide us with the time to examine the issue fully and dispassionately.

The argument that the binary chemical munition is safe to store, handle and ship is the lone solid justification for this procurement. Balanced against this safety factor is a history which shows that to date catastrophes have been prevented. With reasonable caution and particularly with the new congressional requirements, future catastrophes are not likely. If safety were the only consideration, then the argument for the binary for safety means might be determinative.

However, associated with this proposed binary procurement are other unresolved problems. These include: increased difficulty in reaching an acceptable agreement on verification of compliance with any chemical warfare treaty; the possibility that the increased safety of handling such munitions might tempt non-nuclear nations or terrorist groups to acquire these munitions as the technology becomes common knowledge; and the increased difficulty of transporting separate ingredients for the munitions to insure that these ingredients are at the right place at the right time.

In summary, these points force one to ask: What is the real threat to the national security if the binary chemical weapon procurement is delayed until a more reasoned and rational examination of the need can be completed? Even within the executive agencies, hearing testimony indicates that there is no agreement that this procurement is either militarily essential or necessary for national security.

Why is the Soviet Union so far ahead in their defensive capability as compared with the United States? The Congress has appropriated more money for defensive capabilities than it has for research and development on toxic agents; Why are not our troops at a high degree

of readiness and fitness to defend in a toxic environment? Is this because our military commanders in the field do not have the same high convictions about the need for chemical weapons in combat or the potential threat as the Chemical Corps intelligence analysts who are the strongest advocates of this need and the danger of the threat? Where is the hard information on Soviet intentions to use chemical agents against us? How do we know that they are not responding to the threat posed by our own production capability and our stockpiles?

What proof beyond speculation or war game models is there that a retaliatory capability with chemical weapons is the only real deterrent to the use of chemical weapons? If our troops are caught with poor defensive equipment, poor training, a poor capability to fight in a toxic environment—this will not be because the Congress has not adequately supported either defensive procurement or the production of toxic agents. And poorly equipped and trained troops will not be saved by a capability to retaliate after an attack has been launched by an enemy with a superior defensive capability. In fact, poor defensive posture may provide the incentive to an enemy to launch a strong offensive CW attack. Witnesses at the hearings were strong in their support of the need to enhance the defensive posture of U.S. forces regardless of the final decision reached with regard to treaties, CW deterrence policies or other aspects of this issue.

The Congress needs to calmly and thoroughly examine U.S. chemical warfare policies. We started this examination in 1969 and have continued this examination again this year in several committees. There has been no convincing evidence presented to my knowledge that postponement of the procurement of the binary chemical weapon during this examination period will jeopardize the national security. The executive agencies have given every indication that they also see the necessity for reexamination of our CW policies and have such an investigation under way.

There is one program which obviously needs more attention at this time regardless of the final outcome of the congressional debate about U.S. chemical warfare policies. The U.S. Army has candidly admitted that our forces do not have the defensive capabilities that it is possible to provide. Analysis of the threat has been essentially unchanged for more than two decades. The Defense Department has not taken this threat seriously enough, although the threat analysis originates in that Department, to have corrected the defensive deficiency. A strong defensive capability, whether East European, NATO, Middle East, or United States is an indication of a concern to protect against an attack, not necessarily an indication of an intent to launch a first strike. A force with a strong defensive capability is much less likely to become the target of a preemptive strike than a weak and ineffectually protected force.

There is evidence from the hearings that U.S. forces do not have the high degree of readiness which current technologies permit. If our forces suffer from a surprise attack from chemical weapons it will not be the inability to retaliate that will cause casualties. It will be the failure of the Armed Forces to properly prepare themselves against the threat they have used to justify the acquisition of an offensive chemical warfare capability.

One question to be examined is whether the increased safety really counters the disadvantages which have been described for the binary system. There is always some risk associated with the storage of chemical weapons. Even the binary weapon offers only a reduction in the degree of risk. Perfect safety is not assured.

The Congress has provided support and direction for reducing the risk of storing existing chemical weapons. There does not appear to be sufficient justification at this time, in the current environment of disarmament negotiations, executive agency disagreement, and the added international risks associated with acquisition of the binary weapon to warrant rushing into a different method of delivering to a target the same nerve agent which we already possess in our weapons inventory. This is not a case of proposing to block a giant step forward in military technology which could provide a major military advantage. The binary is just a new method of delivering an old chemical agent. The binary, in fact, poses disadvantages distinct from the older system while providing only the advantage of the safety referred to previously.

It may eventually be necessary to replace deteriorating munitions if it is decided to retain a deterrent chemical stockpile. But we have and need more time to consider carefully the total impact on domestic and international policies of the binary chemical weapon. The issue of retaining or eliminating a chemical warfare retaliatory capability can be considered separately from the more immediate problem of determining whether funds should be appropriated for the procurement of the binary chemical weapon. It seems to me that we can explore in a less heated environment arms control measures at Geneva if the binary procurement is postponed. Hopefully, we can also resolve the impasse concerning U.S. ratification of the Geneva Protocol. We are not examining this problem from a position of weakness. We do have an offensive CW capability balanced by other weapons. This is a position which we should continue to have while we carefully determine chemical weapons policy this Nation should pursue.

#### DEALING WITH THE PROBLEMS OF THE AMERICAN ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentle-



man from Massachusetts (Mr. O'NEILL) is recognized for 15 minutes.

Mr. O'NEILL. Mr. Speaker, a panel of eminent economists who are advising the Democratic steering and policy committee has completed its work. The economists have summarized what is wrong with the American economy and have made suggestions for what we in the Democratic Party should do about it.

This action clearly shows that, in the face of abdication of leadership on the economic front by the President, the Democratic Congress is moving to find answers to the severe economic problems which now threaten our well-being.

Mr. Speaker, your statement from this morning's press conference and the report of the economists follows:

**STATEMENT OF REPRESENTATIVE CARL ALBERT**

Members of the Democratic Steering and Policy Committee met this morning with Dr. Otto Eckstein, noted economist and President of Data Resources, Inc. Dr. Eckstein reported to the Committee the findings of a panel of nine eminent economists who met recently in all-day session with Steering and Policy Committee members to review the performance of the American economy and to develop new policy alternatives.

The panel's findings will come as no surprise to the American people, who have suffered the ill effects of the current Administration's economic policies. The panel concluded that our economy is "in the worst trouble since World War II."

Indeed, the Nixon Administration has, through what the economists described as "massive policy errors," pushed our economy into dire circumstances.

As the economists pointed out, there are "no quick solutions" to our present problems. But the panel had many constructive suggestions to make to the Steering and Policy Committee. The panelists' recommendations would offer some measure of relief to embattled American workers and consumers and would help put our economy back on the road to stability and prosperity.

These recommendations (which are contained in the attached report) will be considered at the next meeting of the Steering and Policy Committee.

**STATEMENT OF OTTO ECKSTEIN, JOHN K. GALBRAITH, WALTER W. HELLER, LEON KEYSERLING, ROBERT LEKACHMAN, ARTHUR M. OKUN, PAUL A. SAMUELSON, CHARLES L. SCHULTZ, JAMES TOBIN**

(Statement of nine economists prepared at the request of Speaker Carl Albert, chairman of the Democratic Steering and Policy Committee of the U.S. House of Representatives)

On June 27, 1974, we met with Speaker Carl Albert and other members of the Democratic Steering Committee of the House of Representatives. After a thorough review of the economic situation, we generally agreed on the following points. Messrs. Galbraith and Lekachman prepared a separate statement which is attached.

1. The economy is in the worst trouble since World War II. We are in the midst of the biggest peacetime inflation in our history; unemployment is high, and for at least another year, we are likely to grow far less than our potential. Interest rates are at all-time records, and the financial system is in serious danger. Real wages have suffered large declines while profits have been inflating in a unsustainable way. Now, the danger is that the Administration will seek to end the in-

flation through recession, without tackling the structural problems that require solution.

2. The economy was put into this condition by a combination of unavoidable misfortunes and massive errors of policy. The years of "gradualism", aimed at halting inflation, produced little but rising unemployment. While the switch to expansionary fiscal policy in 1971 was welcome, an unsustainable boom was allowed to develop in the election year 1972 and into 1973. The five different phases of controls brought us to the point where government appears unable to cope with our problems.

3. There are no quick solutions to the present inflation. Wages and profits are out of balance. Finished goods prices, in many instances, do not yet adequately reflect materials cost increases. Basic industrial capacity will be short for several years. Stabilizing food stocks are gone and foreign resource supplies are insecure. Inflation expectations are aroused and cannot be put to rest quickly.

4. Under these conditions, fiscal and monetary policies must aim to produce a level of aggregate demand that will carefully simmer down the boiling inflation. But it must be recognized that general fiscal and monetary restraint cannot bring an early end to the inflation. If restraints are applied too strongly, the financial system will be seriously damaged and the cumulative forces of recession and depression will be set loose. Further, the general measures must be combined with vigorous actions to relieve the worst of the inequities created by inflation, make credit available more equitably and productively, relieve shortages and bottlenecks, and reduce unemployment.

5. To help undo the decline in real earnings and reduce the need for extraordinary catchup wage settlements, the Congress should enact a balanced tax reform package this year. Low and moderate income families have suffered most from the higher food and energy prices and should be given tax relief. Tax changes aimed at moderate income families could take such forms as: (1) increasing the standard deduction and low income allowance of the personal income tax; (2) changing the standard deduction to a tax credit or (3) reducing the rate structure of employee payroll taxes.

In conjunction with these tax reductions, major revenue-raising tax reforms should be enacted. Some members of the panel favor a full offset of tax reductions with these reforms, other favor a small net reduction in order to provide some consumer stimulus. The prime candidates for reform are (1) a tougher minimum income tax, with no escape hatches, to assure that all high-income families pay a decent share of the Nation's tax burden; (2) tougher treatment of foreign oil production to stop subsidizing foreign oil producers and to make domestic exploration and production more attractive; (3) tougher treatment of hobby farm tax deductions which bid up the price of agricultural land; (4) abolition of DISCs which senselessly encourage the export of scarce commodities and cost the taxpayer hundreds of millions of dollars; (5) taxation of capital gains at death and reform of estate and gift taxes; (6) incentives to State and local governments to issue taxable bonds instead of tax exempts that are a major loophole for the very rich.

6. Federal expenditures must be kept under control and managed with a better sense of priorities. New defense obligations are rising while the social programs are squeezed. There should be adequate support for anti-pollution, anti-poverty, education, energy, health, housing and urban development programs.

7. Since inflation makes it difficult to soon achieve our full employment goals, other ap-

proaches must be pursued vigorously to cushion the impact on the unemployed. A greatly expanded program of public service employment would maintain incomes and preserve work habits and self respect while the economy is going through its correction.

8. The Budget Reform Act of 1974 gives the Congress the information and the ability to assess the detailed tax and expenditure decisions in the context of overall fiscal policy goals. The new system will also make it possible to better weigh the priorities of different lines of expenditure. For the first time, the Congress has the ability to control the Budget.

We urge the Congress to quickly go further in this work and to develop the new budget system for long range purposes as well. Congress should set long-term budget revenue and expenditure goals, and should evaluate the multi-year costs of expenditure initiatives or tax reductions in reaching its decisions.

9. Federal Reserve policy must limit money growth to promote gradual disinflation without wrecking the financial system, impairing essential economic growth, or preventing reduction of unemployment. The present 6½% money growth policy entails a sharp decline in real money balances. It has already produced the highest interest rates in our history and curtailed housing, and is threatening to produce massive withdrawals of saving funds out of thrift institutions. The Federal Reserve should begin to gradually lower interest rates to reduce these risks.

The Federal Reserve should use more selective methods of credit and interest-rate policy to reduce the great inequities in the current availability of credit. Housing is still the main victim of tight money. State and local governments are also seeing the markets for their securities disappear. The large, powerful corporate borrower is still able to meet his credit needs. If an excessive expansion of bank loans is the central problem, the Federal Reserve should impose limits on bank loans as numerous other countries have done. It should also restrain the unsound use of credit to finance speculative inventories, enterprise acquisition, and foreign exchange speculation.

10. Millions of families have seen the value of their retirement savings destroyed. The government should provide American families with a savings medium which is secure against the further inroads of inflation. The government should initiate the issue of purchasing power bonds, with limited amounts available to small savers. Their value would be tied to changes in the Consumer Price Index.

11. Economic policy should be put on a longer range basis, with the aid of long range and consistent goals. While part of the present difficulties was unforeseeable, some of the food, energy and industrial shortages should not have been a total surprise. Present economic policy machinery, with its emphasis on the short-term variations in the overall fiscal and monetary policy, is not adequate to the present economic problems. The inflation will not be ended until the capacity structure of primary manufacturing industries is in balance with the other dimensions of our potential, but this does not imply special tax concessions for investors because the additional demand created by the programs recommended herein, and other factors, should provide adequate stimulus to needed investment. The depletion of world food stocks requires the development of a long-term food policy to protect consumers and farm income. The coming new programs in health financing will require assessment of the supply and efficiency of medical care.

12. While an early return to controls is impossible after the recent unhappy experi-

ence, the problem of defining and achieving responsible price and wage behavior for the largest private economic units remains and cannot be ignored while we seek to move the economy to orderly disinflation. A new dialogue among government, business and labor must begin, looking toward viable new principles and institutions.

13. There also must be the most careful and continuous review of the Government's own policies in such fields as agriculture, energy, transportation, health and defense procurement. Anti-trust policy and other policies of structural reform also should play an important part in improving the unemployment-inflation tradeoff.

STATEMENT BY JOHN KENNETH GALBRAITH  
AND ROBERT LEKACHMAN

With regret, for we respect the careful efforts of those participating, we are refraining from signing the Report on Inflation for the Democratic Steering and Policy Committee. The United States is suffering from the worst inflation since World War I. We are asked for remedies. The Report (for good reason) does not recommend a tighter monetary policy than at present. It proposes a highly justifiable redistribution of tax burdens but no additional tax restraint. It expresses oblique concern about military spending but makes no firm recommendation for a reduction. It is feeble on the subject of wage and price policy—a dialogue but no controls. If the government cannot use fiscal policy, cannot use monetary policy, cannot use controls, the reader will ask what's left. The answer, alas, is nothing. Or, at most, there are prayer and hopeful prediction, both of which the Administration has already exploited to the full.

Inflation can be brought under control. There has been past success under circumstances far more difficult than now. Certainly we should not be discouraged when no real effort has yet been made. The major requirements can be quickly summarized. We need a stiff surtax on upper income—say, above \$15,000 or \$20,000. This reaches an appreciable share of spending without unsettling the wage bargain. Given the present level of profits, equity also requires a solid increase in the corporate income tax. The excise tax should be reimposed on big automobiles and levied against air conditioners and other heavy users of energy or scarce material for luxury purposes. All tax reduction, however meritorious, must be postponed until inflation is under control. We must take detente seriously and also the certainty that we will not soon again be fighting another jungle war, and cut military expenditures. Inflation does not strengthen our defense posture or improve the reputation of our system. We must, unfortunately, keep restraints on the money supply. We recognize however that of all measures against inflation this, in its effect on industries such as housing which used borrowed funds, is the most discriminatory, the most damaging to public welfare and also the most unpredictable in its results. So, while it must be kept, it should be the first measure eased as others take full effect. There should, it goes without saying, be vigorous government-sponsored action to expand food, fertilizer and fuel supplies and, where appropriate, to conserve use. Finally, in the modern, highly organized economy there must be firm, fair and strongly administered wage and price controls. This is not a matter of preference but of simple necessity. Policy on controls cannot be tailored to the fecklessness and incompetence of the Administration. More generally, we cannot now debate which measures to use against inflation. All are needed.

Against the very real chance of increasing unemployment as inflation is brought to an end, there must, as the Report recommends, be an adequate fund for direct employment in useful civic tasks for those who cannot find jobs. Such directly financed employment is in place of general macroeconomic action to stimulate the economy with its consequent and unacceptable inflationary effect.

Given these steps and given, above all, the tough determined administration which we know from experience can be brought into play against inflation, there is no reason for supposing that it cannot be brought under control. And it should be.

Forty years ago, economists of major repute were deeply seared by the experience of wartime inflation. Accordingly, when asked for action against depression, they warned of the dangers of inflation—and urged that budgets be balanced, monetary policy be conservative so as to minimize that risk. Now history has come half-circle. Present-day economists of similar age and equally high repute have spent their lives devising policy against recession, testing economic performance by its contribution to economic growth and employment. Asked what to do about inflation, they warn accordingly of the dangers of recession. This conditioned response, however understandable, is unuseful when it is inflation that we have. A recession may come; we now know that economic prediction, our own included, is not sufficiently valid to be a basis for action. We must be willing promptly to change course as necessary but we must act on the basis of the present reality. The present reality, one that is deeply distressing to millions of people, is inflation.

#### FLIGHT PAY IN AIR FORCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 5 minutes.

Mr. ASPIN. Mr. Speaker, I am sure that my colleagues will remember last year's big flight pay flap which cut off the flight pay for nonflying generals, admirals, colonels, and Navy captains. At that time and for a year afterward every Congressman was informed of the catastrophic effect this sudden loss of pay had on the morale of the senior officer force.

The subcommittee of the Armed Services Committee, which held months of hearings on flight pay and reported out a bill that recently became law, included a 3-year, save-pay provision so that these senior officers would not face a sudden pay reduction with no chance to make necessary personal financial adjustments. The subcommittee was, however, convinced that enlisted crew members, who have never received flight pay when not flying, also deserved some protection from sudden pay cuts. We decided, therefore, having given officers 3 years save pay that enlisted crew members who were going to lose flight pay should get at least 4 months' notice to allow them to adjust their personal finances.

Consequently, the committee directed: that the Department of Defense establish, by regulation, a requirement, that enlisted men cannot be involuntarily removed from flying duty with less than 120 days' notice. The committee wants

its intentions in this regard very clearly understood. It wants such a regulation placed into effect on a priority basis, and it wishes to be informed of any delay.

But Lt. Gen. Leo Benade, Deputy Assistant Defense Secretary for Military Personnel Policy, claimed in a letter to Chairman HEBERT that the 120-day notice is "somewhat unrealistic." He further offered to follow the direction of Congress only "to the extent possible." In short, General Benade clearly announced the Pentagon's intent to give enlisted men notice of grounding only when it is convenient.

Obviously, General Benade's offer is not good enough, and I have brought this matter to the attention of the subcommittee which established the 120-day notice requirement. General Benade promised to investigate the situation and to report what exceptions are essential to the management of the Armed Forces. All this was only a few days ago.

Subsequently, I learned from a non-commissioned officer that the Air Force grounded 106 enlisted crewmembers, notifying them on July 11 of their retroactive loss of flight pay effective July 1. This is, of course, not 120-day notice; it is even less than no notice.

As a result I wrote a letter to General Benade asking for an investigation of this obvious disregard of this directive of Congress. The letter follows:

HOUSE OF REPRESENTATIVES,  
Washington, D.C., July 11, 1974.

Lt. Gen. LEO BENADE,  
Deputy Assistant Secretary of Defense, Manpower and Reserve Affairs, the Pentagon,  
Washington, D.C.

DEAR GENERAL BENADE: Today 106 enlisted crewmembers of the 552nd AEW&C Group, McClellan Air Force Base, California, were notified of their removal from flying status and incentive pay entitlement. Not only was the House Armed Services Committee's required 120 days notice not given, the personnel had no notice at all since the effective date of grounding is July 1st.

The enlisted men concerned are serving primarily in aviation skills that do not have wide Air Force application. There is little chance that many of them will receive subsequent assignments calling for flying status. It is obvious, therefore, that the no-notice grounding will impose substantial financial hardships on many of these airmen—a sudden change in personal income that will not later be adjusted. What is especially disheartening in this situation is the fact that the majority of them will soon be making a permanent change of station. A move generally costs more than a serviceman can expect to recover from the government.

I am sure that a number of the enlisted men who have been grounded have only lately returned from temporary duty in Southeast Asia where their allowances did not necessarily cover their living costs. To add to the financial difficulties of these men at this time seems particularly unjust.

In view of your recent testimony before the military compensation subcommittee and your expressed interest in insuring observance of at least the spirit of the Committee's directive, I call on you to investigate this matter. Please notify me as soon as possible what will be done about this situation.

Sincerely,

LES ASPIN,  
Member of Congress.



After sending this letter I continued to receive telegrams from many of the 106 enlisted men at McClellan who had been arbitrarily grounded. A few of their messages follow:

[Telegrams]

JULY 11, 1974.

Representative LES ASPIN:

Request immediate attention to personnel actions (grounding) of flying enlisted personnel of the 552 AEW and C Group, McClellan AFB, California.

ENLISTED CREWMEMBER, USAF.

JULY 12, 1974.

Representative LES ASPIN:

I solicit your immediate attention to the pending grounding actions with no advanced warning and the rules used for enlisted crewmembers assigned to the 963rd AEW and C Squadron, McClellan AFB, California.

MASTER SERGEANT, USAF.

JULY 12, 1974.

Representative LES ASPIN:

As a chief master sergeant on flying status for 24 years I resent being notified on 10 July of grounding effective 1 July.

CHIEF MASTER SERGEANT, USAF.

JULY 12, 1974.

Representative LES ASPIN:

Considering the job we did in Southeast Asia for our country, I think we are very much mistreated with this grounding action, not to mention how the cut in pay—with no notice—will affect our families and our financial status.

TECHNICAL SERGEANT, USAF.

JULY 12, 1974.

Representative LES ASPIN:

Be advised that a mass rape of enlisted crewmembers is in progress in the 552nd AEW & C Group at McClellan AFB. 107 enlisted airmen grounded without prior notice.

MASTER SERGEANT, USAF.

JULY 12, 1974.

Representative LES ASPIN:

Be advised instant stop pay is in progress at 552nd Group, McClellan AFB. The most highly qualified air crewmembers are in most cases being affected.

ENLISTED AIR CREWMEMBERS, USAF.

JULY 12, 1974.

Representative LES ASPIN:

Your concern for enlisted crewmembers is certainly appreciated but solicit your immediate attention to grounding of enlisted crewmembers assigned to 552nd AEW & C Group, McClellan AFB, California.

Chief Master Sergeant, USAF; Senior Master Sergeant, USAF; Master Sergeant, USAF; Technical Sergeant, USAF; Staff Sergeant, USAF; other enlisted crewmembers.

For the 106, events have worked in their favor. Because of the commotion orders have gone out to restore the flight pay of the airmen and to continue it for a minimum of 120 days. I was notified of this action in the following telegram from one of the NCO's:

JULY 15, 1974.

Representative LES ASPIN:

Thank you for effort on flight pay at McClellan Air Force Base. Contrary to Pentagon reports, all 100 plus were verbally grounded

approximately 1400 hours 11 July by Deputy Group Commander. Most were believed restored to status 13 July verbally. Thanks again.

USABLE AIR FORCE WIDE CREWMEMBER

Yesterday the Air Force telephoned my office to confirm the information sent to me from McClellan. The method used to insure continuation of flight pay for the required 120 days is flexible administrative authority available to the Air Force. General Benade, however, has been insisting for several weeks that only legislative relief will guarantee the congressionally mandated notice, a position directly contrary to the information he and other witnesses presented at the time of the flight-pay hearings. In short, we do not know where the situation stands now. Apparently, the Air Force now feels it has always had means to insure 120 days' notice to the 106 airmen it grounded without warning. Does this mean that legislation is not required? What of the other services? Are they also grounding enlisted crewmembers without notice? Do they need legislation to meet the orders of Congress? The Armed Services Committee and Congress should be provided with the answers to these questions.

The fact is that Congress thought it had set a firm rule, but the Department of Defense interpreted it loosely. The result was the threat of sudden disruption of the personal finances of 106 highly trained noncommissioned officers. Had they not protested the injustice, their flight pay would have been immediately lost. Air Force headquarters might never have heard of the incident and Congress would have continued to be ignored.

#### THE NUTS-AND-BOLTS AMERICAN, MR. AVERAGE, IS THE FORGOTTEN TEN MAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 30 minutes.

Mr. PODELL. Mr. Speaker, again today the newspapers are filled with bad news for Mr. Average American, the guy in the crunch of the Nixon administration's economic squeeze. He will work a little harder and at the end of the day he will have a little less. Uncontrolled inflation nibbles away at his hard earned wages, robbing him of the fruits of his labor—like so many ants methodically hauling away his property and giving it to someone else.

The middle-income, middle-class American is the forgotten man in the big business, corporate-controlled Nixon administration. At this moment, for example, the President is meeting with a crowd of the Nation's "top" economists to mull over the problems of the economy.

But Mr. Average American is not represented in that group. Labor is not represented at the White House today. The small businessman, the mom-and-pop shop has no spokesman there. Congress, which has some fine economists in its number, is not represented there.

In a word, the backbone of the Nation, the average guy in the street, the nuts-and-bolts American who does the work, pays the bills, and binds the Nation together is without a voice as the managers of our economy decide what to do next. I hope those learned gentlemen now meeting at the White House do better today than they have in the past.

Five years ago when these economists began making plans for Mr. Middle American, the annual inflation rate was 4.7 per cent. Now it is close to 13 per cent and climbing, with the costs of food, fuel, and housing going out of sight.

Rushing to the aid of the working man who has more bills than his paycheck can cover, Nixon announced this week through Treasury Secretary Simon and Economic Adviser Kenneth Rush, a new scheme to increase rates for private electric companies. This new Nixon idea includes plans by the White House to prod State agencies into granting even further and speedier rate increases for the electric companies and to give them bigger tax breaks.

Private utilities' Federal tax payments have dropped from 12 percent of their operating revenues in 1955 to 3.5 percent in 1972.

How's that for helping the little guy?

I say these reports are more bad news for the average, hard-working American. Who speaks for the man who pays the bills in this country? Not an administration or an economist who jiggled and kicked and perverted our economy so that \$10 billion a year is taken from the pockets of moderate-income families and shifted to the wealthy 1 percent of the Americans who own half of all corporate stock.

Today's newspapers had good news for the wealthy. The financial pages carried stories of another round of record-breaking corporate profits, some of them 500 percent higher than last year. But for bill-paying Mr. Average American, today's newspapers were filled with bad news.

In addition, the announcement of a White House campaign for more money and tax breaks for power companies and the elite corporate giants, we were told by experts at HEW to expect runaway medical costs increases, with doctors' fees climbing about 20 percent a year and hospital costs almost as much.

The New York City Department of Consumer Affairs reported that the market basket for a family of four went up again in May—30 cents this time—with bottled soda, beef, pork chops, coffee, and sugar leading the list.

In 1 month the cost of gasoline has gone up an average of 4 percent. Since last October gas prices have increased more than 35 percent.

Mr. Average American does not stand a chance in the housing market. According to what I read in the papers, the national average price of a new home is \$35,000. With the prime lending rate at an alltime high of 12 percent, it now takes almost \$400 a month to finance

that new house, including mortgage payments, taxes, utilities, and maintenance. Government figures show that the average nonfarm worker with two children currently has aftertax income of about \$130 a week. That means the average guy in the street can afford to buy only one-third of a house. In other words, he cannot afford to live here under the Nixon administration.

And, if possible, things are worse for the millions of unemployed—now almost 6 percent of the work force—and for the poor and the elderly, all of whose interests have been pawns in a big game of politics at the White House.

Mr. Speaker, unless the President collected some ideas during his recent trip to Moscow and Yalta, he has no real program to halt inflation. Shortly before he left, he admitted as much, saying there are no easy answers and solutions will be a long time in coming.

The wealthy are discontent because they cannot get more than the hog's share they already have, and workingmen rightly complain because honest, hard labor does not return enough to take care of the family.

By all standards, President Nixon has failed in the management of the Nation's economy.

I propose the leadership formally protest the exclusive, star-chamber handling of the economy by select groups of special interest advisers. I propose that Congress convene its own group of economic advisers—advisers more in tune with the needs of the people than the needs of the corporate giants and expose the administration's fiscal hocus-pocus for what it is.

To date it has been nothing more than a master plan to wreck the economy and redistribute the wealth. I believe we can do better than that. We must rescue the middle American and once more give him a voice in the management of the economy in which he lives.

#### PROTECTIONISM AND THE U.S. FOOTWEAR INDUSTRY

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, it is a sad fact of life that no one seems to pay much attention to the American footwear industry any more. It is sad because the attention we now devote to the footwear industry seems to run in an inverse proportion to the amount of the domestic market foreign imports are swallowing up; the more these imports gain—40 percent of the American market—the less many people seem to care. But the fact of life is that, as more and more American footwear producers are squeezed out of the competition by foreign imports, more and more hardworking Americans lose their jobs. The choice is up to the Government. We can start paying attention to the plight of our American footwear producers now, or we can spend our time

dealing with increased unemployment later.

There was a time when the American footwear industry was one of the most stable and proliferous industries in our economy. The American footwear industry was one of the earliest major contributors to our economic growth and only seeks an equal opportunity in the competitive market. The concept of free trade is perhaps the most effective formula for insuring orderly international economic exchange, but you do not have to be an economist to know that the subsidized import invasion of our domestic footwear market is only free trade for one side. I am confident that the American footwear industry remains viable today and know that it seeks not protection but fair competition.

I want my colleagues to take a minute and read a letter from the editorial page of the July 1 Washington Post that I am inserting in the RECORD. The letter is from Mark Richardson, the president of the American Footwear Industries Association and it speaks for itself:

#### PROTECTIONISM AND THE U.S. FOOTWEAR INDUSTRY

We, of course, read with interest the front page article in the June 10 issue headlined "U.S. Protectionism Urged."

We feel that what was "unsaid" in the article deserves saying—so that there can be a fuller recognition by your readers of the difficult situation facing the domestic footwear industry caused by disruptive imports.

No other major manufacturing industry in the U.S. suffers from an import penetration as large as that of the domestic footwear industry. Over 40% of the U.S. market for nonrubber footwear is held by imports. The situation has been deteriorating over the years as imports have increased, domestic production has declined, factories have been closed, and jobs have been lost.

This matter was called to the attention of the present administration several years ago. An "escape clause" investigation on nonrubber footwear under existing trade laws was initiated by President Nixon in July 1970 (the first President ever to take such an action). The Tariff Commission's split decision in the case was submitted to the White House on January 15, 1971 but no action, affirmatively or negatively, has ever been taken.

In the interim the domestic industry has been able to ascertain that the reason for the sharp and substantial increase in non-rubber footwear imports from Argentina, Brazil, and Spain has been a scheme of government subsidization of the footwear industries in those countries. Our investigations are uncovering similar practices by the governments of other major footwear exporting countries.

Our industry petitioned the Treasury Department under the countervailing duty statutes with regard to Spain in February 1973 and with regard to Argentina and Brazil in July 1973. Only in the latter case (Brazil) has the Treasury Department initiated an investigation to date. No action of any kind has been taken by Treasury in the cases of Spain or Argentina.

We are fully aware of the importance of industrialization to the economic development of the developing countries. We do not believe, however, that the so-called law of comparative advantage contemplates that a country will industrialize in certain lines

and capture a foreign market on the basis of government subsidization that creates havoc for those self-same industries in the countries into which the lines are imported.

Congress enacted legislation 77 years ago to prevent this from happening. We are asking the administration to enforce those laws. The credibility of our trade legislation is clearly at stake here.

One final word. The June 10 article says that South American diplomats view access to the U.S. market as a test of Secretary Kissinger's "new dialogue" with our Latin American neighbors. We are asking only that when domestic considerations (the enforcement of the trade laws) and foreign considerations (the "new dialogue") are in conflict, the domestic considerations receive at least equal consideration with the foreign. That has not been the case with the administration's handling to date of the serious import problem faced by American manufacturers of footwear and their workers. No subsidization of the American footwear manufacturers exists. Why should they be asked to compete with subsidized industries abroad?

MARK E. RICHARDSON,  
President, American Footwear Industries Association.

#### INDIA'S NUCLEAR DETONATION IN PERSPECTIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, among the hectic domestic and globetrotting events of the last 2 months is one whose significance was largely overlooked. I refer to the detonation of a nuclear device by India on May 18, 1974.

Both in terms of the reality of nuclear proliferation and the impact and reactions this event may have in neighboring states, India's emergence as a nuclear power has far-reaching consequences and demands a considered and coherent policy response.

Unlike some of my colleagues who believe, and perhaps with good reason and intentions, that the United States must take swift actions against India to show its displeasure, I would like this event to serve as a catalyst for the United States to develop a new global policy designed to come to grips with what will be one of our most important foreign policy dilemmas of the 1980's; namely, how to control nuclear proliferation.

Mr. Speaker, the horse is out of the barn. We must not focus on petty and punitive actions against India for what she has done. Such actions will prove little, will burn bridges behind us and will decrease any leverage we might have in our dealings with India. The problem is not that India "went nuclear": It is how to make nuclear India responsible and helpful in controlling proliferation.

We cannot undo India's device and its blast, its significance, and its global impact. But we can let it serve as the basis for a concerted effort with all other nuclear exporters—including France and India—to tackle the problem of nuclear proliferation.



I urge the Secretary of State to use the occasion of his proposed trip to India in the coming months as a vehicle to launch a major policy effort to deal with the problem of nuclear proliferation. Certainly, a comprehensive test ban treaty is one policy imperative. We must move quickly to seize this opportunity to try to control a problem which we know will get out of hand if we wait until the 1980's. Unfortunately, one reason we know this disturbing fact is that we are ourselves the major exporter of nuclear technology today.

#### AMENDMENT TO H.R. 15582

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, when the House considers H.R. 15582 later this week, to amend the Atomic Energy Act of 1954 to enable the Congress to pass judgment on international nuclear cooperative agreements, I intend to offer an amendment which will assure that the foreign policy implications of such agreements are fully considered by the Congress.

Under H.R. 15582 the Joint Committee is given responsibility for reporting out a resolution, favorable or unfavorable, within 30 days after a nuclear cooperation agreement is submitted. My amendment would not change that.

But my amendment would require that, in addition to the views of the Joint Committee on Atomic Energy, the House would have before it the views of the Foreign Affairs Committee—and the Senate the views of the Foreign Relations Committee—on the foreign policy implications of the proposed agreement.

The text of the amendment follows:

AMENDMENT OFFERED BY MR. BINGHAM TO H.R. 15582

Page 2, line 4, immediately after "Joint Committee" insert ", with copies to the House Committee on Foreign Affairs and the Senate Foreign Relations Committee."

Page 2, line 19, immediately after "cooperation." insert the following new sentence: "Prior to the expiration of the first thirty days of any such sixty-day period the House Foreign Affairs Committee and the Senate Foreign Relations Committee shall each submit to its respective House of Congress a report stating its views and recommendations respecting the proposed agreement."

#### INTRODUCTION OF TWO RESOLUTIONS TO FURTHER CONGRESSIONAL CONTROL OVER CIA ACTIVITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, yesterday, I introduced two resolutions, House Resolution 1231 and House Resolution 1232, to further congressional control over CIA activities. While the CIA has been acting with almost unfettered discretion for the past 20

years, recent revelations by the press make clear the full extent of the indiscretion of many CIA activities. Senator BAKER has indicated that the CIA may have had advance knowledge of the destroyed evidence in regard to the Ellsberg break-in and more than likely Watergate case. The lawyer for Bernard Barker and Eugenio Martinez has indicated that the CIA conducted domestic break-ins into Radio City Music Hall and into a Miami home and business office. The vice premier of the new Laotian coalition government announced his fear of "rumors" that the CIA is conspiring with Laotian rightists to sabotage the new coalition government. Possibly most frightening of all, Charles Colson allegedly has told a private investigator that the President felt like a virtual captive in the Oval Office of suspected high ranking conspirators in the intelligence circles against whom he dared not act for fear of international and domestic repercussions. Colson allegedly described the CIA as a frightening power operating with no congressional or executive branch control. In addition, just last week, former CIA agent Philip Agee revealed that CIA pressured Ecuador into ending diplomatic ties with Cuba and admitted that he personally acted as a conduit for funneling \$200,000 from a New York City bank into election support activities for Christian Democrat Eduardo Frei.

While it is healthy that the press is increasingly investigating governmental secrecy in general and the CIA in particular, it is unfortunate, that as a Congressman, I must gain my awareness of CIA activities through my daily reading of the Washington Post. Congressional oversight of the CIA, as presently constituted, simply has not worked. I have introduced two resolutions today strengthening congressional oversight of the CIA. The first resolution would establish a standing committee in the House of Representatives to oversee CIA activities. The committee would be comprised of five members of the Armed Services Committee, five members of the Appropriations Committee, and five members of the Foreign Affairs Committee. The resolution for the first time would give members of the Foreign Affairs Committee a role in the oversight of the CIA. Although three members of the Senate Foreign Relations Committee have sat in on joint CIA oversight committee meetings for the past 7 years, in the House, CIA oversight has been under the exclusive province of the Armed Services and Appropriations Committee. In light of the revelations of CIA involvement in Laotian, Guatemalan, Vietnamese, and Chilean political affairs, it is clear that CIA activities directly affect this country's foreign policy and that it is necessary for members of the Foreign Affairs Committee to have both advance and ongoing awareness of the plans and activities of the CIA.

This resolution creates a standing committee to insure that regular meetings will be held to oversee CIA activities.

Under rule 734 of the House of Representatives, standing committees must meet not less than monthly for the conduct of their business. Presently, oversight groups, as subcommittees, are under no obligation to meet on a periodic basis. Consequently, in certain years, apparently some oversight committees have failed to meet at all.

By creating a standing committee, there also is no doubt that the committee would have the authority to initiate intelligence-related legislation.

Finally, the first resolution I introduce today requires the proposed intelligence committee to keep complete records and transcripts of its committee hearings. These records and reports would be available to all Members of Congress. Without this provision, the House will continue to delegate its responsibility for formulating much of this country's foreign policy to 12 of its Members, who no matter how able, cannot adequately represent the views and people of 435 different congressional districts.

The second resolution I am introducing today would authorize a study to be conducted by the Foreign Affairs Committee on the effect of foreign intelligence operations on this country's foreign policy. If the CIA did nothing more than gather intelligence, such a study would not be necessary. But the CIA, under the rubric that covert political operations involve intelligence gathering techniques, has apparently been involved in military, economic and political interference with the internal governmental operations of countries around the world. Thus, although, according to President Truman, the CIA was initially envisioned as doing no more than collecting and analyzing intelligence information, it has instead engaged extensively in the formation of foreign policy either under the direction of the National Security Council or under the initiative of overzealous operatives. This second resolution would enable Congress to regain the perspective on foreign intelligence operations that it has lost in the past by considering CIA oversight strictly as a military question.

In every Congress since 1953, a resolution has been introduced which sought to establish some type of standing oversight committee on intelligence operations. I am introducing such legislation today in the hope that in the atmosphere of Congress reasserting many of its powers which have been steadily expropriated by the President, the House of Representatives will pass House Resolution 1231 and House Resolution 1232, resolutions to give the House of Representatives greater control over the CIA and the entire foreign intelligence community.

#### TOBACCO FARMER FACES DISASTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FUQUA) is recognized for 5 minutes.

Mr. FUQUA. Mr. Speaker, I would like to call to the attention of the Congress and to the American people the very serious plight that faces tobacco farmers in 1974. They face economic disaster brought on in part by policies of our Government which thus far has shown little concern.

Tobacco is a crop where mechanization has not proven effective and labor must be employed. Those costs have risen astronomically. Fertilizer prices have gone through the roof and everyone knows what has happened to the price of fuel.

It may be that it is costing 30 to 40 percent more to produce a crop this year than last. Yet initial prices in the market are starting at about the same level as last.

Earlier this year, the Department of Agriculture, in its infinite wisdom, announced plans to increase poundage by 10 percent. The purported reason was because of increased exports, but exports in nowise reach that figure.

Thus, it is anticipated that there will be a surplus crop.

Tobacco companies are going to take advantage. Prices are going to be just above the support levels, and very little above that figure. The farmer is going to take the loss.

Mr. Speaker, I submit that the policies of this Administration are bringing havoc to the agricultural economy. The beef industry is in ruin, the dairy industry cannot meet costs, the peanut producer is having difficulty, and on and on.

Unfortunately one segment of agriculture does not seem to support another. They are fragmented and thus susceptible to the pressures they find arrayed against them.

As far as tobacco is concerned, it is vital to my district. I know of no policy decision made by this administration which has been taken to help the farmer. Rather than helping, it seems that every possible thing has been done to bring about destruction of the programs that have worked.

Sometimes it is difficult to get the message across that we are talking about human beings, about families, about children, and their welfare. Tobacco is a major cash-producing crop in our area and when the farmer cannot make a reasonable profit, everyone suffers.

That is what is happening today.

Many of my farmers have told me that the graders on the market are giving the benefit of the doubt to grading down rather than up. Again, this drives down the price.

Mr. Speaker, many of my people are upset. They have a right to be. This one crop is their bread and butter, and they are going to have difficulty in 1974 in making their expenses.

I call upon the Secretary of Agriculture to look at this situation and assist our people. The farmer is the producer, the first man on the economic ladder.

In my district the farmer is being trampled by governmental edicts that show them no consideration and by eco-

nomical forces which threaten to overwhelm.

#### DEAN LINDSEY COWEN TESTIFIES BEFORE THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE REGARDING THE NEED FOR NO-FAULT AUTOMOBILE INSURANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, Dean Lindsey Cowen, of Case Western Reserve Law School, both as chairman and member of the Special Committee of the National Conference of Commissioners on Uniform State Laws, has spearheaded a national effort for no-fault auto insurance. His efforts have left a tremendous impact on State law in those States which have already adopted no-fault insurance packages. His expertise is now being utilized by the Congress in preparing Federal no-fault insurance. Dean Cowen is a great credit to the Cleveland area and reflects the high caliber of legal scholarship that has earned Case Western Reserve its national reputation. At this point I would like to insert Dean Cowen's testimony before the Congress:

#### TESTIMONY OF DEAN LINDSEY COWEN BEFORE THE HOUSE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, JULY 16, 1974

Mr. Chairman, Members of the House Committee on Interstate and Foreign Commerce: I am Lindsey Cowen, Dean of the School of Law of Case Western Reserve University in Cleveland, Ohio, presently a member and formerly Chairman of the Special Committee of the National Conference of Commissioners on Uniform State Laws which drafted the Uniform Motor Vehicle Accident Reparations Act, sometimes known as UMVARA. From 1965 to 1972 I served as a Commissioner on Uniform State Laws from Georgia; I am now a Commissioner from Ohio.

For sixteen months or so, beginning in the late Spring of 1971 and through August 1972, our Special Committee worked diligently to draft a motor vehicle accident reparations act which we could recommend to the National Conference for adoption as a Uniform Act. A few members of our Committee came to our deliberations with a substantial background in the field. Most of us did not, and a very substantial part of the process was one of educating persons like me who had no particular expertise in the field.

During this period the Committee met for three intensive workdays almost every month. We were assisted by two very able reporters and an outstanding consultant along with a knowledgeable and dedicated advisory committee.

As we proceeded in our work, I became convinced, and I remain completely convinced to this day, after our drafting efforts and following a great many appearances around the country to discuss UMVARA and the "no-fault" concept, that a major reform in our system of motor vehicle accident reparations is of very great importance to our society. Indeed, I wonder why in light of the obvious need and of all the effort that has gone into the solution of this problem over the years, reform has not come much sooner. One reason is, of course, that there

are many people and organizations with vested interests in the present system. I do not mean that necessarily as an indictment because I am convinced of the good faith of many of the persons who defend the present system. But it is only human to believe in something in which one does have a substantial economic interest, and I suspect that the judgments of some on this point have been subconsciously influenced.

The dual problem of the merits of the case and of a dispassionate approach to the problem were interestingly enough suggested as far back as 1925 by an Ohio Judge writing in the American Bar Association Journal. In that article, entitled "Compulsory Automobile Insurance," 11 ABA J. 731 (1925), the Honorable Robert S. Marx, Judge of the Superior Court of Cincinnati, in advancing the basic principle of no-fault automobile insurance called for a *dispassionate* consideration of the subject. He was addressing himself to lawyers, but his words apply equally to all other whose livelihood is tied to the present system. He said in part:

"In presenting the important subject of compulsory automobile insurance to the Ohio State Bar Association, I desire at the outset to petition for a divorce. My prayer is that in consideration of this question you divorce yourself from all selfish interest and from all professional connections as attorneys for either liability insurance companies or personal injury claimants and that you consider this proposal as citizens interested in protecting human life and as lawyers desirous of promoting justice."

Judge Marx set forth the problem in eloquent language. Speaking of injuries resulting from motor vehicle accidents he said:

"In some of the cases the injured are to blame, in some, the automobilist, in others, both are to blame in varying degrees. In many cases, it is impossible to place the blame, and frequently, there is no negligence in a legal sense, but injury or death occurs by reason of weather conditions, latent defects, or the inevitable risks of traffic. From the social side, all of these cases mean that the burden of death or injury must be borne by the crippled or the dependent victims of the accident for whom the law presently offers little or no relief."

Judge Marx was addressing himself to the conditions of 1925. Imagine the dimensions of the problem here in the last third of the 20th Century. Interestingly, the language of the Congress in Public Law 90-313, a joint resolution concerning the deficiencies of the present system of motor vehicle accident reparations, repeated the basic meaning of Judge Marx's comments. Among the Congressional findings set forth in this resolution, two are particularly relevant: the first of these was: "... the suffering and loss of life resulting from motor vehicle accidents, and the consequent social and economic dislocations are critical national problems." And the second: "there is growing evidence that the existing system of compensation is inequitable, inadequate, and insufficient, and is unresponsive to existing social, economic, and technological conditions."

The study authorized by this resolution was undertaken, and in March 1971 the Secretary of Transportation issued a final report to the Congress and the President, the conclusions of which were summarized as follows:

"The existing system ill serves the accident victim, the insuring public, and society. It is inefficient, overly costly, incomplete and slow. It allocates burdens poorly, discourages rehabilitation, and overburdens the courts and the legal system. Both on the record of its performance and on the logic of its operation it does little, if anything, to minimize crash losses."



This is a devastating indictment, supported by twenty-five or so individual reports. Action was clearly needed and the Department called for a "suitable period of experimentation and testing" by the states moving toward a reformed system meeting certain criteria set forth at the conclusion of the report.

To provide for the states draft legislation which would meet the DOT criteria a contract was entered into with the National Conference of Commissioners on Uniform State Laws and in June 1971 work on the Uniform Motor Vehicle Accident Reparations Act, UMVARA, was begun.

By August 1972, the Special Drafting Committee had its final report ready for presentation to the Conference, and after lengthy debate and some modifications, UMVARA was approved by the Conference and recommended to the states for adoption.

I do not claim that there is no room for improvement in UMVARA, but I would be less than frank if I did not say to you that I have yet to see a bill which I believe is better designed to produce the true reform which I am confident that millions of people in this country want. People are dissatisfied with the present system—the sharply increasing and continued increases in rates, the cancellations, terminations and refusals to renew. They are concerned about the delay in receiving payments, particularly, when litigation is involved, and many are dismayed by the sometimes peculiar results under the fault system.

The national scope of this ferment is, I believe, best illustrated by the attention which the no-fault concept has received in both state legislatures and the Congress over the last few years. It is true, however, unfortunately, that few states have adopted plans which will produce meaningful reform. Massachusetts and Florida have led the way, but the Michigan act is, in the judgment of no-fault advocates, a much better law although these is a constitutional problem involving the retention of tort in the property area which must be resolved before a final judgment can be made. Elsewhere movement has been on the modest side to say the least.

Major reform is needed now, and in my judgment, major reform requires at least four critical provisions. The first is that motor vehicle insurance must be compulsory. To most of us this position seems so clearly correct that it needs no support, but the idea has been bitterly fought over the years, and there are today very few compulsory liability states yet alone compulsory compensation states. It is in society's interests that all be covered. Quite apart from the humanitarian reasons involved, compulsory insurance will protect welfare rolls and otherwise keep people from becoming objects of public charity. UMVARA is compulsory.

The second item is necessary for needed major reform is assured payment of most, if not all, economic loss of virtually all people injured in motor vehicle accidents. To over-simplify the definition of the term, economic loss consists of reasonable medical expenses, including costs of rehabilitation, and wages lost while out of work or while unable to perform usual work. There are other items: replacement services loss, survivor's economic loss, and survivor's replacement services loss, but there constitute details which need not be set forth here.

UMVARA, for example, provides full reimbursement for medical expense limited only by the concept of reasonableness, much to the distress of the representatives of most insurance companies. With respect to work loss and other types of loss mentioned before, UMVARA provides a weekly maximum of

\$200 with no limit in time. Additional coverage can, of course, be purchased for an additional premium. Combined these are greater benefits than those provided by any other bill known to me, and they will be bitterly fought, although not by consumers and not by those who are consumer oriented.

The third item which every reform bill worthy of the name must contain is a stiff anti-cancellation, termination, and non-renewal provision. The right of insurance companies to "get off the risk" has, in the judgment of many people been greatly abused, and so UMVARA, to illustrate, basically takes the position that a company cannot "get off the risk" except at annual intervals.

The fourth item, and in many ways, the most critical one, is the abolition of tort in motor vehicle accidents in whole or in major part. Under existing tort law in most jurisdictions, one who is at fault in an automobile accident must pay the damages of an injured party unless that injured party too was at fault, in which event neither recovers compensation. It should be noted that in a comparative negligence state, compensation is awarded on a percentage basis, depending upon the degree of fault; but there are, in fact, very few comparative negligence states.

The law of negligence may be useful in a great many areas of the law. Many of us, however, think that it has outlived its usefulness, if it ever had any, insofar as motor vehicle accidents are concerned.

In support of this proposition, consider the circumstances under which we all drive every day. Thousands upon thousands of automobiles are driven every day by all sorts of people with all sorts of concerns, sometimes at very high speeds. It is true that the national fuel crisis of this past winter and the resulting lowering of speed limits has saved many lives, but still the cost of our present transportation system geared as it is primarily to highways and motor vehicles is enormous.

Things happen in a twinkling of an eye, and even if the details of each event could be accurately produced before a trier of fact, whether we are talking about an adjuster or a trial judge or jury or any other decision maker, can we in any sense, be sure or reasonably sure who was "at fault" and who was totally free from fault? I submit to you that in a very substantial number of cases it is simply unrealistic to think so. Realistically, in a vast majority of the cases there is no possibility that an accurate picture of what actually transpired be produced. Even if we are talking about an "instant replay," that is, reconstruction of the event immediately after its occurrence, we all know that memories are tricky, and that what one person "saw" another will not have seen, or he will have seen something different. Evidence teachers in law schools frequently demonstrate the unreliability of memory by resorting to "mock" assaults in classrooms and then asking the members of the class to report what they have seen. Differences in what was seen are shocking.

But most of the time, we are not dealing with "instant replays" where one would suppose that accurate reporting would be most likely. Typically, people are asked to remember details weeks, months, even years after they occurred, and the truth is that people begin believing they saw what they hoped they saw (by this I mean what is in their own best interests to have seen) or what someone else wanted them to see. The result is that a finder of fact is most likely to hear strikingly different statements concerning the same situation, and it is possible he will hear statements which do not have much relation to what in fact transpired.

In advocating a major reform in motor vehicle accident reparations—a shift to the no-fault principle—what are we trying to accomplish? We are attempting to provide for the assured prompt payment of most economic losses for virtually all people injured in motor vehicle accidents at no more cost and hopefully at a lesser cost than is paid today.

How is this to be financed? It is to be financed in part by the reduction of overpayments in small claims, it is to be financed in part by the reduction of legal fees paid in tort litigation, and it is to be financed in part by the reduction of the insurance structure including costs of marketing, investigation and fault analysis.

The guaranteed payment of most economic loss of virtually all people is provided by the first three items required for meaningful reform—that is: (1) compulsory insurance, (2) virtually no monetary or temporal limits on payments of benefits, and (3) strong anti-cancellation provisions. As for the cost of such insurance, we who advocate a true no-fault insurance package are convinced that the elimination of tort in whole or major part in motor vehicle accident cases will accomplish the reductions in cost necessary to permit the major increase in benefit payments outlined herein.

The goal is a worthy one, but I am personally of the opinion, as I have indicated, that the "experimentation and testing" proposed by the DOT study are not proceeding at an adequate pace. Most state legislatures in one way or another have been involved with no-fault automobile insurance, but the progress toward reform has been depressingly slow to those of us who had such high hopes in August 1972.

This is a national problem, and apparently, will require a national response. The Congress has before it two possible courses of action. One is to adopt a strong national no-fault bill which will be applicable in those states which do not adopt legislation meeting minimum federal standards. The other is to adopt a strong national no-fault bill which will pre-empt the states and be applicable uniformly in all. Whichever way it goes, I urge the four basic points: (1) compulsory insurance; (2) reimbursement of virtually all economic loss; (3) rigid limitations on cancellations, terminations, and non-renewals; and (4) abolition of tort in motor vehicle accidents in whole or in major part. UMVARA does these things and I recommend it to you for your careful consideration.

#### AMENDMENT TO H.R. 11500 TO REGULATE THE SURFACE MINING OF COAL

(Mr. JOHNSON of California asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. JOHNSON of California. Mr. Speaker, I am today placing an amendment in the Record to section 709 of H.R. 11500, the bill to regulate the surface mining of coal.

Section 709, as reported in the committee bill, now requires the written consent of the owner of surface rights to surface mining where rights in the coal have been severed through a real property conveyance or reserved to the United States when the surface rights were transferred pursuant to Federal homestead laws.

Briefly stated, my objection is based on the fact that section 709(a) rearranges existing property relationships—which are a matter of State law—and that 709(b) which deals with Federal minerals will assure that a few cattlemen and land speculators may get wealthy, but do little to protect the environment. The arguments against section 709 are fully set out in the additional views of Mr. UDALL, myself and others at page 179 in the committee report.

The amendment and explanation follow:

#### AMENDMENT TO H.R. 11500

Page 287, line 10, strike out subsections (a) and (b) through line 2, pages 228 and insert in lieu thereof the following and reletter accordingly:

(a) In those instances where the mineral estate proposed to be mined by surface coal mining operations is owned by the Federal government, and the surface rights are held pursuant to patent, the application for a permit shall include either—

(1) the written consent of the owner or owners of the surface lands involved to enter and commence surface mining operations on such land or a document which demonstrates the acquiescence of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface mining methods; or

(2) proof of the execution of a bond or undertaking for the use and benefit of the surface owner or owners of the land securing the prompt and full payment of any damages to surface estate, to the crops, to the tangible improvements on the land and to secure the income interest of the surface estate owner in those portions of his land affected by coal surface mining and reclamation operations for the time during which said portions of land are affected. The bond established pursuant to this subsection is in addition to the bond required by section 216 of this Act.

#### EXPLANATION

This amendment makes two important changes:

(1) It deletes the requirement of subsection (a) that the surface owner's consent be obtained where the rights in the coal are severed and held by another party. The rights of the surface owner vis a vis the owner of the mineral estate are presently different in different States—in some States full consent to surface mining is required while in other it is not. While those favoring surface owner consent in these situations argue on a policy basis, the fact is that this is an issue of real property relationship—the rights arising from real property conveyance—and is thus a matter for State courts and legislatures.

(2) The amendment also removes the requirement for consent of the owner of surface lands conveyed pursuant to patent from the U.S. government before coal reserved to the Federal government can be surface mined. In its place, the amendment substitutes a provision similar to that approved by the joint Subcommittees which reported the bill to the full Committee. This provision calls for the consent of the surface owner or the posting of a bond to cover the full damages incurred by the surface owner during the mining process.

#### TURKEY BEWARE

(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, on July 1, 1974, the Government of Turkey announced a decision that may cost the lives of thousands of Americans in New York City and across the Nation. Turkey has rescinded its pledge to the United States to ban the cultivation of opium poppies. An attack on our shores by a military force could not more directly threaten the welfare of the American people.

In the late 1960's, this Nation faced a heroin crisis of epidemic proportions. In 1969, the number of heroin addicts had reached between 500,000 and 700,000. Approximately half of these addicts lived in New York City. It was estimated that over 60 percent of crime in the city was heroin-related. There was never any mystery about the process by which heroin became available in our streets. Eighty percent of heroin in street traffic had its origin in the poppy fields of the Anatolian Plateau in Turkey. Farmers whose main business was the cultivation of poppies for the legal sale of opium for medical purposes would divert substantial portions of their crops for sale to middlemen representing criminal elements in Istanbul. As black market prices were substantially higher than legitimate prices, farmers were offered an attractive financial incentive to sell illegally. The illicit opium eventually found its way to France, where it was processed into the white powder that laid waste to the lives of thousands in American cities.

The diversion of opium to the underworld was made possible by a combination of weak enforcement by the Turkish Government and the difficulty of estimating crop yields. It became apparent that only a complete cessation of poppy production would stem the tide of illegal sales. In 1971, the Turkish Government announced a ban on opium poppy production. In return, the United States committed \$35.7 million in aid to Turkey in compensation for lost foreign exchange and for the development of alternative crops.

Today there is a substantially reduced amount of heroin on the streets of New York and other cities and the heroin that continues to enter the country is of poorer quality. The Drug Enforcement Administration reports a 60-percent reduction in the number of heroin addicts. The rates of overdose deaths, drug-related hepatitis and drug-related property crimes—indicators of heroin dependence—have declined for the first time in 6 years. The continued effectiveness of the poppy ban has sharply reduced the raw materials needed for the production of illicit heroin in Western Europe. We are turning the tide in the war against heroin and the Turkish poppy ban has made it possible.

Now the specter of a heroin epidemic looms again. It is crystal clear that to the Turkish Government the issue is one of expediency. It is easier to allow poppy cultivation than to stimulate the production of alternative crops. In spite of

millions of dollars in U.S. aid, the Turkish Government complains of the financial loss to Turkish farmers. According to U.S. officials, this situation is explained by the facts that the Turkish bureaucracy has failed to use U.S. assistance to initiate needed regional development projects. Thus, the Government's callous disregard for the welfare of those in other nations is compounded by its inefficiency in meeting the needs of its own citizens.

Since the Turkish Government sees the issue as a matter of money, the U.S. response must be in the language of dollars and cents. A nation whose selfish financial interests blind it to the suffering of American citizens must no longer benefit from the generosity of the United States. I urge my colleagues to support the amendment to the extension of the Export-Import Bank which would restrict trade credits granted to Turkey by the Export-Import Bank until the Turkish Government reverses its policy on opium poppy cultivation. In my view, this is a necessary first step toward bringing the full weight of U.S. economic power to bear on the Turkish Government. The situation also calls for a reevaluation of our obligations to defend Turkey under the NATO Alliance. A nation whose policies threaten the lives of our children does not deserve our economic assistance or our military protection.

#### ON ALCOHOL AND MARIHUANA

(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 Department of Health, Education, and Welfare has released a disturbing new study linking heavy alcohol consumption with a greater risk of cancer. Citing studies from all over the world, the report concludes that "cancers of the mouth, pharynx, larynx and esophagus and primary cancer of the liver appear to be definitively related to heavy alcohol consumption." This represents the most recent and ominous addition to the wealth of scientific evidence suggesting the detrimental effects of alcohol on health.

The HEW report estimated that 10 million Americans are problem drinkers. When the health of this many Americans is placed in jeopardy, the problem becomes of serious concern to makers of public policy. The question is: What is the appropriate policy response? It is interesting that few would seriously propose invoking the sanctions of the law as part of the solution. After the miserable failure of the prohibition era, it has been thought ridiculous to regard millions of alcohol consumers as criminals. There is today a clear moral consensus that the personal use of alcohol does not fall within the proper province of the criminal law. It is not likely that the HEW study or any other study of the detrimental impact of alcohol will modify the overwhelming opposition to prohibition. Even in the face of compelling evidence



of harm, we will continue, as a matter of public policy, to tolerate legal alcohol as far less destructive to society than prohibition.

I concur with society's judgment against criminal sanctions applied to alcohol use as, I am certain, do my colleagues in the House. However, it puzzles me that those who would find my views on alcohol uncontroversial refuse to pursue my position to its logical conclusion. The requirements of simple consistency demand that the considerations relevant to the societal response to alcohol also govern our response to the mass consumption of other substances. This is the basis for my conviction that the alcohol question has a crucial bearing on the issue of the decriminalization of marihuana.

The number of Americans who consume alcohol or marihuana makes the analogy between the two drugs important. A 1972 survey by the National Commission on Marihuana and Drug Abuse shows that 26 million Americans have tried marihuana and 13 million are regular users. Although the national consumption of marihuana does not approach that of alcohol, the number of consumers is staggering with respect to both drugs. As in the era of alcohol prohibition, millions of Americans are regarded as criminals by virtue of an act of possession alone. As in the prohibition era, the law has been rendered as a deterrent, while thousands suffer imprisonment.

More interesting, though, is the comparison between evidence of harm induced by the two drugs. Even disregarding the new HEW study, there is little doubt in the medical community that heavy use of alcohol leads to serious and often fatal illnesses such as cirrhosis, pancreatitis, and heart disease. In contrast, every study linking marihuana to adverse health consequences has received serious criticism by qualified scientists. It may be that some of these reports are true. Even if they are, the analogy between the prohibition of the 1920's and the "new prohibition" of marihuana would argue strongly for the decriminalization of marihuana. As matters stand, the ambiguity of current marihuana research makes the case for decriminalization more persuasive than it has ever been with respect to alcohol.

Several years ago, decriminalization of marihuana was considered an "extreme" proposal by the public at large and their Representatives in Congress. This is no longer the case. It is encouraging that the most respected bodies of legal opinion are coming to realize that the time for decriminalization has come. The Bar Associations of New York, Massachusetts, Vermont and, most recently, Illinois, have endorsed the legalization of marihuana possession. It is time, Mr. Speaker, that the Congress follow suit. The Javits-Koch bill, H.R. 6570, would correct the injustice of imprisoning the marihuana smoker while the alcohol drinker remains unfettered. It legalizes the possession of personal use of three or fewer

ounces of marihuana, while retaining criminal penalties for the sale, distribution, or transfer for profit of the drug. I invite my colleagues to consider cosponsorship of this measure as a reasonable alternative to current law. The current cosponsors of the Javits-Koch bill are: Ms. ABZUG, Mr. BADILLO, Mr. CONYERS, Mr. EDWARDS of California, Mr. HARRINGTON, Mr. POBELL, and Mr. RANGEL.

#### RUPPE AMENDMENTS TO H.R. 11500

(Mr. RUPPE asked and was given permission to revise and extend his remarks at this point in the Record.)

Mr. RUPPE. Mr. Speaker, I believe that H.R. 11500 is a sound approach to the regulation of surface mining. I wholeheartedly support this committee bill, which is the product of several years of study, many months of hearings, field inspections, and subcommittee and full committee markup. I want to stress that the Department of Interior has had constant and substantial input during all stages of committee markup. I personally offered 25 amendments in the committee which were prepared in cooperation with representatives of the administration. Of these, all but one were adopted by the committee. Since this bill will establish the guidelines for surface coal mining for decades ahead, I think it is important that the Congress try to address the administration's legitimate concerns with this bill. Therefore, I intend to offer four amendments which were drafted with the assistance of the Interior Department and which, I believe, go far toward meeting the administration's remaining objections to H.R. 11500. These amendments will not, I would stress, sacrifice key control provisions.

The following amendments, numbered 1 through 4, are set forth to qualify for the necessary time to present them to the House:

1. Page 146, line 18, insert the words "mountaintop removal" before the word "mining".

Page 146, lines 19 and 20, delete the words "create a plateau with no highwalls remaining" and insert in lieu thereof the words "eliminate all highwalls".

2. Page 163, line 4, strike all through line 7 inclusive and insert therein:

"(2) The State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not physically feasible."

Page 169, line 23, delete the words "under study" and insert in lieu thereof the words "as to which an administrative proceeding has commenced pursuant to section 206(a) (4) (D) of this Act."

3. Page 249, line 8, strike all through page 251, line 14 inclusive and insert therein:

"(b) There is authorized to be appropriated to the fund initially the sum of \$125,000,000 and such sums as the Congress may thereafter authorize to be appropriated."

(c) The following other moneys shall be deposited in the fund:

(1) moneys derived from the sale, lease, or rental of land reclaimed pursuant to this title;

(2) moneys derived from any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted."

4. Page 282, line 14, strike the period and after the word "Act" insert the following words:

"and except that the general elevation of the mined area may be lower than its original elevation where the removal of coal results in insufficient material being available to return the mined area to its original elevation."

#### BARTER BILL IS NEEDED NOW

(Mr. MILLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILLER. Mr. Speaker, I have sponsored legislation that enables the United States to barter its foreign aid in return for strategic minerals that are in short supply or depleted in this country. To date I have 60 cosponsors for these bills. The longer this country waits to implement this concept, the more difficult we will find the road in the future. Already there are alarming signs of the beginning of the formation of foreign cartels that would deny easy access to the minerals we need. I would like to bring to the attention of my colleagues an article that appeared in the Washington Post of July 16. It gives an excellent example of the difficulties the United States faces, especially if we fail to enact barter legislation soon:

#### U.S. MINES TO BE TAKEN BY GUYANA

GEORGETOWN, GUYANA, July 15.—Prime Minister Forbes Burnham has served notice that the U.S.-owned Reynolds Guyana Mines Ltd., will be nationalized by the end of the year and integrated into the Government-Run Guyana Bauxite Co.

The announcement came in a speech Saturday to bauxite workers gathered in the town of Mackenzie to celebrate the third anniversary of the government takeover of what was once the Canadian-owned Demerara Bauxite Co.

In his hard-hitting speech, Burnham warned that if Reynolds attempted to reduce production, the government would move in and operate the Reynolds plant pending nationalization.

Burnham told the workers they had "the opportunity to be heroes in a new war, to be flame carriers in a new exercise where the exploited will now confront the exploiter."

#### AMENDMENTS TO H.R. 11500, TO REGULATE THE SURFACE MINING OF COAL

(Mr. McDADE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. McDADE. Mr. Speaker, this week the House will consider H.R. 11500, legislation to regulate the surface mining of coal. This bill represents some of the most important decisions we will make on our national energy policy.

If coal is to play an important role in meeting our national energy needs, and if we are to see coal meet this role and still protect our environment, then H.R. 11500 is an important piece of legislation.

One particular section of the bill that troubles me however is title four, the provision providing for an Abandoned Mine Reclamation Fund.

At present, the bill contains language establishing a reclamation tax of 1.23 cents per million Btu's per ton of coal. This would amount to a 30-cent per ton increase on the price of high Btu eastern coal, and 15 cents per ton increase on low Btu western coal.

Another approach that has received discussion is the Seiberling amendment, which would levy \$2.50 per ton tax on coal with credits for deep mined coal supportive services, such as black lung payments, health and safety equipment, and so forth.

In short, the approaches advanced so far to provide for this reclamation fund are both tax policies. This strikes me as unacceptable.

This taxing policy is the antithesis of what I thought was our policy of increasing coal production to meet our energy needs. The antithesis, because while coal production must greatly increase, a tax is a disincentive to mine coal. A tax discourages our objective and is additionally not necessary to achieve the objective of a reclamation fund.

I will offer an amendment that provides for a reclamation fund consistent with our objectives in this bill. I propose to fund the Nation's Abandoned Mine Reclamation Fund from three sources, including revenues which are presently uncovered, are not earmarked for any specific purpose, and are accrued to the Federal Treasury from the bonus bids and royalties on Outer Continental Shelf Lands. These receipts simply revert to the Treasury and are not currently specifically earmarked for any purpose. OCS revenues are estimated to be \$6 billion for fiscal year 1974, \$7.6 billion in fiscal year 1975, and \$10 billion for fiscal years 1976-1977. These are energy resource dividends and it seems to me a wise investment to take a small portion of these funds for the reclamation of our lands which are disturbed in producing another energy resource.

I welcome the support of any Member of Congress who is anxious to create such a fund. My amendment will avoid the taxing disincentive problem, and avoid any consumer burden that taxing policy would impose. And positively my amendment takes an energy dividend from the OCS revenues and plows a small portion of these funds into reclaiming the land we disturbed in gaining an additional energy resource.

A copy of my amendment follows:

AMENDMENTS TO H.R. 11500, AS REPORTED—  
OFFERED BY MR. MCDADE

Page 249, strike out lines 15 through 16 and insert in lieu thereof the following:

(3) appropriations made to the fund, or amounts credited to the fund, under subsection (d).

Page 250, strike out line 5 and all that follows down through and including line 14 on page 251 and insert in lieu thereof the following:

(d)(1) In addition to the amounts de-

posited in the fund from the sale, lease or rental of land reclaimed pursuant to this title, there are authorized to be appropriated annually to the fund out of any money in the Treasury not otherwise appropriated, such amounts as are necessary to make the income of the fund not less than \$200,000,000 for the fiscal year ending June 30, 1975, and for each fiscal year thereafter.

(2) To the extent that any such sums so appropriated are not sufficient to make the total annual income of the fund amount to \$200,000,000 for each of such fiscal years, as provided in paragraph (1), an amount sufficient to cover the remainder thereof shall be credited to the fund from revenues due and payable to the United States for deposit in the Treasury as miscellaneous receipts under the Outer Continental Shelf Lands Act. Moneys covered into the fund under this paragraph shall remain in the fund until appropriated by the Congress to carry out the purposes of this title.

#### A PLAN TO CONTROL TAY-SACHS DISEASE

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, in August of last year I cosponsored legislation to amend the Public Health Service Act to provide for screening and counseling of Americans for Tay-Sachs disease. The bill has remained dormant in the Committee on Interstate and Foreign Commerce.

In hope of getting some action, I recently wrote a letter to the chairman of the committee requesting expeditious hearings on the Tay-Sachs legislation. The Senate has already held hearings and will soon report a bill. Perhaps by acquainting my colleagues with the problems of the disease it will help to advance the legislation.

Many, I am sure, are unfamiliar with this infant killer. In 1881, Dr. Tay described a familial disease of infants, occurring almost exclusively in Jewish children, in which there appears in the retina during the first year of life a cherry-red spot surrounded by a well-defined white area. The clinical syndrome is characterized by cerebral degeneration which shows itself with greater and greater intensity as the child lives out a very brief life.

After 6 months the baby is listless and apathetic. The mother is no longer recognized. Convulsions are common. Progressive loss of muscle strength and rapidly evident mental retardation leave the child helpless. For roughly 2 years before its inevitable death, the child is moved to a state of complete idiocy.

By the time of its death it is blind, seizing, and drowning in its own secretions, and spending more time on oxygen and antibiotics than not.

If the child survives for any length of time—the earlier the onset of symptoms, the earlier death—there is increasing blindness, deafness, a completely retarded helpless child.

Parents must watch helpless as the infant dies.

The heartbreak and mental anguish which can often be overcome by parents of retarded children is simply insurmountable for parents of Tay-Sachs children. The difference is the slow, imminent violent death. It is they themselves who must bear the brunt of the financial, medical, and mental burdens. Not only are most retardation centers inappropriate and hospital costs prohibitive but insurance companies generally refuse to cover prolonged hospital care on the basis that it is custodial care.

The chances for preventing Tay-Sachs disease lies in screening and early detection. From the mating of two carriers of the Tay-Sachs gene there is a 25-percent chance that the offspring will show this recessive Mendelian trait. This must be known beforehand.

Even during troubled times as this we must find it in our hearts to prevent the recurring tragedy of Tay-Sachs children. The legislation I have cosponsored along with 20 of my colleagues would establish a program in the Department of Health, Education, and Welfare to provide the necessary testing and screening, on a voluntary basis, for those who may be inheritors of the disease. The bill provides funding in the amount of \$55 million over a 10-year period to bring the disease under control.

Mr. Speaker, I urge the House to move on this matter with all deliberate speed. And I ask my colleagues to give the matter their most serious, and most considerate, attention in their deliberations.

#### 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. ALBERT, for 60 minutes July 18, 1974.

(The following Members (at the request of Mr. LAGOMARSINO) to revise and extend their remarks and include extraneous material.)

Mr. KEMP, for 15 minutes, today.

Mr. HANSEN of Idaho, for 5 minutes, today.

Mr. RAILSBACK, for 5 minutes, today.

Mr. HOSMER, for 10 minutes, today.

Mr. GILMAN, for 5 minutes, today.

(The following Members (at the request of Mr. JONES of Oklahoma) to revise and extend their remarks and include extraneous material.)

Mr. ADDABBO, for 10 minutes, today.

Mr. FRASER, for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. O'NEILL, for 15 minutes, today.

Mr. KYROS, for 5 minutes, today.

Mr. ASPIN, for 5 minutes, today.

Mr. PODELL, for 30 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. HAMILTON, for 5 minutes, today.

Mr. BINGHAM, for 5 minutes, today.

Mr. HARRINGTON, for 5 minutes, today.

Mr. FORD, for 5 minutes, today.

Mr. FUQUA, for 5 minutes, today.

Mr. VANIK (at the request of Mr.



MURTHA), for 5 minutes, today; and to revise and extend his remarks and include extraneous matter.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LAGOMARSINO) and to include extraneous matter:)

Mr. HANRAHAN.  
Mr. FINDLEY.  
Mr. WYATT.  
Mr. ZION.  
Mr. ASHBROOK in four instances.  
Mr. ESHLEMAN.  
Mr. SHRIVER in two instances.  
Mr. WYMAN in two instances.  
Mr. RAILSBACK.  
Mr. SYMMS.  
Mr. DERWINSKI in three instances.  
Mr. QUILLEN.  
Mr. WIDNALL.  
Mr. BAUMAN in five instances.  
Mr. HILLIS.  
Mr. SEBELIUS.  
Mr. ANDREWS of North Dakota.  
Mr. LUJAN.  
Mr. MIZELL in five instances.  
Mr. BROOMFIELD.  
Mr. ABDNOR.  
Mr. SHOUP.  
Mr. BOB WILSON in five instances.  
Mr. MARTIN of North Carolina.  
Mr. HUBER.  
Mr. COLLINS of Texas in three instances.  
Mr. NELSEN.  
Mr. HASTINGS.  
Mr. BELL.

(The following Members (at the request of Mr. JONES of Oklahoma) and to include extraneous material:)

Mr. ADDABBO.  
Mr. MAZZOLI.  
Mr. CAREY of New York.  
Mr. HARRINGTON in four instances.  
Mr. KYROS.  
Mr. MURPHY of New York.  
Mrs. MINK in three instances.  
Mr. GONZALEZ in three instances.  
Mr. RARICK in three instances.  
Mr. ANDERSON of California in two instances.  
Mr. McSPADDEN.  
Mr. YOUNG of Georgia.  
Mr. JONES of Oklahoma.  
Mr. FISHER in three instances.  
Mr. BROWN of California in 10 instances.  
Mr. LEHMAN in 10 instances.  
Mr. MAHON.  
Mr. MOAKLEY in 10 instances.  
Mr. NIX in two instances.  
Mr. ROONEY of New York.  
Mr. EDWARDS of California.  
Mr. CARNEY of Ohio.  
Mr. FORD.  
Mr. DANIELSON in two instances.  
Mr. MEZVINSKY.  
Mr. WOLFF.  
Mr. ECKHARDT.  
Mr. BURKE of Massachusetts.  
Mr. EVANS of Colorado.

#### SENATE BILLS, JOINT AND CONCURRENT RESOLUTIONS REFERRED

Bills, joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2579. An act for the relief of David Alexander Choquette; to the Committee on the Judiciary.

S. 2749. An act for the relief of Miss Carmen Diaz; to the Committee on the Judiciary.

S.J. Res. 220. Joint resolution to provide for the reappointment of Dr. William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S.J. Res. 221. Joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S.J. Res. 222. Joint resolution to provide for the appointment of Dr. Murray Gell-Mann as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

S. Con. Res. 98. Concurrent resolution authorizing the printing of additional copies of the Senate committee print entitled "The Recreation Imperative"; to the Committee on House Administration.

#### ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that the committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 11143. An act to provide the authorization for fiscal year 1975 and succeeding fiscal years for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes.

#### SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3311. An act to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed \$10,000.

#### BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration reported that that committee did on July 15, 1975, present to the President, for his approval a bill of the House of the following title:

H.R. 8543. An act for the relief of Viorica Anna Ghitescu, Alexander Ghitescu, and Serban George Ghitescu.

#### ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 41 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 17, 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:

2553. A letter from the Office of Management and Budget, transmitting a report on impounded funds and budgetary reserves, pursuant to section 3 of Public Law 93-9 (31 U.S.C. 581c-1); to the Committee on Government Operations.

2554. A letter from the Secretary of Transportation, transmitting a report on the study of highway letter with recommendations, pursuant to section 155 of the Federal-Aid Highway Act of 1973 (P.L. 93-87) (H. Doc. No. 93-326); to the Committee on Public Works and ordered to be printed.

#### 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. ULLMAN: Committee of conference. Conference report on H.R. 8217 (Rept. No. 93-1197). Ordered to be printed.

Mr. SISK: Committee on Rules. House Resolution 1233. Resolution providing for the consideration of H.R. 13044. A bill to amend the Defense Production Act of 1950 (Rept. No. 93-1198). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 1234. Resolution providing for the consideration of H.R. 15264. A bill to further amend and extend the authority for regulation of exports (Rept. No. 93-1199). Referred to the House Calendar.

Mr. DIGGS: Committee on the District of Columbia. H.R. 11108. A bill to extend for 3 years the District of Columbia Medical and Dental Manpower Act of 1970; with amendment (Rept. No. 93-1200). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 15791. A bill to amend section 204(g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes; with amendment (Rept. No. 93-1201). 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. BROWN of Michigan (for himself, Mr. JOHNSON of Pennsylvania, Mr. RIEGLE, and Mr. SHOUP):

H.R. 15911. A bill to direct the Secretary of Health, Education, and Welfare to develop and implement a system for the issuance of social security benefit checks on a staggered or cyclical basis; to the Committee on Ways and Means.

By Mr. CARNEY of Ohio (for himself Mr. DORN, Mr. TEAGUE, Mr. HAMMER-SCHMIDT, Mr. BRINKLEY, Mr. DANIELSON, Mr. DULSKI, Mr. EDWARDS of California, Mrs. GRASSO, Mr. HALEY, Mr. ROBERTS, Mr. SATTERFIELD, Mr. WOLFF, Mr. ABDNOR, Mr. GUYER, Mr. HILLIS, Mr. MOORHEAD of California, Mr. WALSH, and Mr. ZWACH):

H.R. 15912. A bill to amend chapter 37 of title 38, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions

pertaining to the dormant farm and business loans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. CHAMBERLAIN:

H.R. 15913. A bill to amend the Internal Revenue Code of 1954 with respect to the excise tax on investment income of private foundations; to the Committee on Ways and Means.

By Mr. CLANCY:

H.R. 15914. A bill to authorize the disposal of lead from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 15915. 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.

H.R. 15916. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. CONTE:

H.R. 15917. A bill to obtain adequate information essential to the decisions of the Congress; to the Joint Committee on Atomic Energy.

By Mr. FRASER:

H.R. 15918. 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. HANLEY:

H.R. 15919. A bill to amend the Bank Holding Company Act of 1956 to provide for the regulation of the issuance and sale of debt obligations by bank holding companies and their subsidiaries; to the Committee on Banking and Currency.

By Mr. LAGOMARSINO:

H.R. 15920. A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology; to the Joint Committee on Atomic Energy.

By Mr. LANDGREBE:

H.R. 15921. A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer; to the Committee on Agriculture.

By Mr. MCKINNEY (for himself, Ms. ABZUG, Mr. ADDABO, Mr. ASHLEY, Mr. BADILLO, Mr. BOLAND, Mr. BRASCO, Mr. CLEVELAND, Mr. CONTE, Mr. COTTER, Mr. COUGHLIN, Mr. DULSKI, Mr. ESCH, Mr. GIAIMO, and Mrs. GRASSO):

H.R. 15922. A bill exempting State lotteries from certain Federal prohibitions, and for other purposes; to the Committee on Ways and Means.

By Mr. MCKINNEY (for himself, Mr. HANRAHAN, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. NEDZI, Mr. O'HARA, Mr. RIEGLE, Mr. ROBISON of New York, Mr. RODINO, Mr. RONCALLO of New York, Mr. ST GERMAIN, Mr. SARASIN, Mr. SEIBERLING, Mr. SMITH of New York, Mr. STEELE, Mr. STUDDS, Mr. TIERNAN, and Mr. WYMAN):

H.R. 15923. A bill exempting State lotteries from certain Federal prohibitions, and for other purposes; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 15924. A bill to amend the Social Security Act to extend entitlement to health

care benefits on the basis of age under the Federal medical insurance program (medicare) to all persons who are citizens or residents of the United States aged 65 or more; to add additional categories of benefits under the program (including health maintenance and preventive services, dental services, outpatient drugs, eyeglasses, hearing aids, and prosthetic devices) for all persons entitled (whether on the basis of age or disability) to the benefits of the program; to extend the duration of benefits under the program where now limited; to eliminate the premiums now required under the supplementary medical insurance benefits part of the medicare program and merge that part with the hospital insurance part; to eliminate all deductible; to eliminate copayments for low-income persons under the program, and to provide, for other, copayments for certain services or items but only up to a variable income-related out-of-pocket expense limit (catastrophic expense limit); to provide for prospective review and approval of the rates of charges of hospitals and other institutions under the program, and for prospective establishment (on a negotiated basis when feasible) of fee schedules for physicians and other practitioners; to revise the coverage of the tax provisions for financing the medicare program and increase the Government contribution to the program; and for other purposes; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland (for himself, Mr. BROWN of California, Mr. WON PAT, Mr. BADILLO, Mr. STARK, Mr. DELLUMS, Mr. CLAY, Mr. MOAKLEY, Mr. LUKEIN, Mrs. SCHROEDER, Mr. LEGGETT, Mr. BINGHAM, Mrs. CHISHOLM, Mr. MATSUNAGA, and Mr. STOKES):

H.R. 15925. A bill to amend title 28 of the United States Code to permit certain suits against the United States with respect to tort claims arising out of assault, battery, false imprisonment, and false arrest; to the Committee on the Judiciary.

By Mr. OBEY (for himself, Mr. BAKER, Mr. ASPIN, Mr. BRINKLEY, Mrs. BURKE of California, Mr. CONYERS, Mr. DICKINSON, Mr. ESCH, Mr. FRASER, Mr. JONES of Alabama, Mr. KUYKENDALL, Mr. LEHMAN, Mr. MARTIN of North Carolina, Mr. GAYDOS, Mr. MOORHEAD of Pennsylvania, Mr. FRITCHARD, Mr. RAILSBACK, Mr. SARBANES, Mr. SEBELIUS, Mr. SIKES, Mr. SPENCE, Mr. YOUNG of Georgia, and Mr. WALDIE):

H.R. 15926. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'HARA:

H.R. 15927. A bill to extend for an additional year certain authority under title X of the Higher Education Act of 1965, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. PATMAN (for himself, Mr. BARRETT, Mrs. SULLIVAN, Mr. MOORHEAD of Pennsylvania, Mr. ST GERMAIN, Mr. GONZALEZ, Mr. MINISH, Mr. ANNUNZIO, Mr. REES, Mr. COTTER, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MCKINNEY, and Mrs. BOGGS):

H.R. 15928. A bill to amend the Federal Reserve Act, the Federal Deposit Insurance Act, and the Federal Home Loan Bank Act to provide for the regulation of the issuance and sale of debt obligations by parents of member banks, nonmember insured banks (including insured mutual savings banks), and savings and loan associations, and for other pur-

poses; to the Committee on Banking and Currency.

By Mr. PATMAN (for himself, Mr. ANDERSON of California, Mr. ASPIN, Mr. BELL, Mr. BROXHILL of Virginia, Mr. CONYERS, Mr. DE LA GARZA, Mr. DRINAN, Mr. FLOOD, Mr. FULTON, Mr. GIAIMO, Mr. HAYS, Ms. HOLTZMAN, Mr. HUNT, Mr. LEHMAN, Mr. MEZVINSKY, Mr. PETTIS, Mr. ROSENTHAL, and Mr. TRAXLER):

H.R. 15929. 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. PEPPER:

H.R. 15930. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

H.R. 15931. A bill to amend title II of the Social Security Act to provide that increases in monthly insurance benefits thereunder (whether occurring by reason of increases in the cost of living or enacted by law) shall not be considered as annual income for purposes of certain other benefit programs; to the Committee on Ways and Means.

By Mr. RONCALIO of Wyoming:

H.R. 15932. A bill to amend the Wild and Scenic Rivers Act of 1968 by designating a portion of the Tongue River, Wyo. for potential addition to the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROYBAL:

H.R. 15933. A bill to amend the Federal Coal Mine Health and Safety Act of 1969 to require the Secretary of Labor to establish a program to assist coal miners in meeting the application and filing requirements for benefits under Title IV of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. SHRIVER:

H.R. 15934. A bill to amend the Federal Water Pollution Control Act as amended by the Federal Water Pollution Control Act Amendments of 1972; to the Committee on Public Works.

By Mr. STRATTON:

H.R. 15935. A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of aid or assistance under the various Federal-State public assistance and medical programs, and recipients of assistance or benefits under the veterans' pension and compensation programs and certain other Federal and federally assisted programs will not have the amount of such benefits, aid, or assistance reduced because of post-1973 increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. STRATTON (for himself and Mr. HUNT):

H.R. 15936. A bill to amend chapter 5, title 37, United States Code, to provide for continuation pay for physicians of the uniformed services in initial residency; to the Committee on Armed Services.

By Mr. TIERNAN:

H.R. 15937. A bill to amend title XIX of the Social Security Act to require any nursing home, which provides services under any State program approved under such title, to submit to the State agency administering such program an annual report on the costs incurred in the operation of such nursing home; to the Committee on Ways and Means.

H.R. 15938. A bill to amend the Social Se-



curity Act to eliminate the requirement that a recipient of disability insurance benefits under title II of such Act must wait for 24 months before becoming eligible for coverage under medicare; to the Committee on Ways and Means.

H.R. 15939. A bill to limit the medicare inpatient hospital deductible; to the Committee on Ways and Means.

H.R. 15940. A bill to amend title XVIII of the Social Security Act to liberalize the conditions under which post-hospital home health services may be provided under part A thereof, and home health services may be provided under part B thereof; to the Committee on Ways and Means.

H.R. 15941. A bill to amend title XVIII of the Social Security Act to provide for the establishment of a Nursing Home Affairs Advisory Council; to the Committee on Ways and Means.

H.R. 15942. A bill to provide for a Federal income tax credit for the cost of certain motor vehicle emission controls on 1975 model motor vehicles sold in the State of California; to the Committee on Ways and Means.

H.R. 15943. A bill to amend title II of the Social Security Act to provide a 35-percent benefit increase with a \$150 minimum, to improve the computation of benefits and eligibility therefor, to provide for payment of widow's and widower's benefits in full at age 50 without regard to disability, to raise the earnings base, to eliminate the actuarial reduction and lower the age of entitlement, to provide optional coverage for Federal employees, and to eliminate the retirement test; to amend title XVIII of such act to reduce to 60 the age of entitlement to medicare benefits and liberalize coverage of the disabled without regard to age, to provide coverage for certain governmental employees, to include qualified prescription drugs and free annual physical examinations under the supplementary medical benefits program, and to eliminate monthly premiums under such program for those whose gross annual income is below \$4,800, and for other purposes; to the Committee on Ways and Means.

H.R. 15944. A bill to amend the Social Security Act to extend entitlement to health care benefits on the basis of age under the Federal medical insurance program (medicare) to all persons who are citizens or residents of the United States aged 65 or more; to add additional categories of benefits under the program (including health maintenance and preventive services, dental services, outpatient drugs, eyeglasses, hearing aids, and prosthetic devices) for all persons entitled (whether on the basis of age or disability) to the benefits of the program; to extend the duration of benefits under the program where now limited; to eliminate the premiums now required under the supplementary medical insurance benefits part of the medicare program and merge that part with the hospital insurance part; to eliminate all deductibles; to eliminate copayments for low-income persons under the program, and to provide, for others, copayments for certain services or items but only up to a variable income-related out-of-pocket expense limit (catastrophic expense limit); to provide for prospective review and approval of the rates of charges of hospitals and other institutions under the program, and for prospective establishment (on a negotiated basis when feasible) of fee schedules for physicians and other practitioners; to revise the tax provisions for financing the medicare program and increase the Government contribution to the program, and for other purposes; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 15945. A bill to amend title 37 of the United States Code to eliminate inequities in the payment of special pay to medical officers in the uniformed services who are undergoing initial residency training; to the Committee on Armed Services.

By Mr. YATRON (for himself, Mr. McKinney, Mr. Andrews of North Dakota, and Mr. Traxler):

H.R. 15946. A bill to establish an office within the Congress with a toll-free telephone number, to be known as the Congressional Advisory Legislative Line (CALL), to provide the American people with free and open access to information, on an immediate basis, relating to the status of legislative proposals pending before the Congress; to the Committee on House Administration.

By Mr. FISH:

H.R. 15947. A bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land (rather than at its fair market value), and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 15948. A bill to suspend U.S. economic and military assistance to Turkey again prohibits the growing of the opium poppy in Turkey; to the Committee on Foreign Affairs.

By Mr. RINALDO (for himself, Mr. Gunter, Mr. Hudnut, Mr. Mitchell of Maryland, Mr. Murphy of New York, Mr. Kemp, Mr. Froehlich, Mr. Long of Maryland, Mr. Clancy, Mr. Ketchum, Mr. Eilberg, Mr. Luken, Mrs. Grasso, Mr. Whitehurst, Mrs. Burke of California, and Mrs. Schroeder):

H.R. 15949. A bill to amend the Export-Import Act of 1945 to prohibit the extension of credit to Turkey until the President reports to the Congress that Turkey is cooperating with the United States in the curtailment of heroin traffic; to the Committee on Banking and Currency.

By Mr. LITTON (for himself, Mr. Fraser, Mr. Madigan, Mrs. Chisholm, Ms. Burke of California, Mr. Adams, Mrs. Collins of Illinois, Mr. Addabbo, Mr. Gilman, Mr. Owens, Mr. Gunter, Mr. Conyers, Mr. Vander Veen, Mr. Badillo, Mr. Danielson, Mr. Dulski, Mr. Biaggi, Mr. Fulton, Mr. Yates, Mr. Freyer, Mrs. Sullivan, Mr. Denholm, Mr. Yatron, Mr. Roybal, and Mr. Biester):

H.R. 15950. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. LITTON (for himself, Mr. Obey, Mr. Andrews of North Dakota, Mr. Thone, Mr. Cronin, Mr. Pepper, Mr. Helstoski, Mr. Symington, Mr. Ketchum, Mr. Rose, Mr. Horton, and Mr. Walsh):

H.R. 15951. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLS:

H.R. 15952. A bill to abolish the U.S. Postal Service, to repeal the Postal Reorganization Act, to reenact the former provisions of title

39, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATTEN (for himself, Mr. Dominick V. Daniels, Mr. Derwinski, Mr. Rinaldo, and Mr. Roe):

H.R. 15953. A bill to authorize the disposal of lead from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. RAILSBACK (for himself, Mr. Anderson of Illinois, Mr. Annunzio, Mr. Arends, Mr. Collier, Ms. Collins of Illinois, Mr. Crane, Mr. Derwinski, Mr. Erlenborn, Mr. Findley, Mr. Hanrahan, Mr. Kluczynski, Mr. McClellan, Mr. Madigan, Mr. Metcalfe, Mr. Michel, Mr. Murphy of Illinois, Mr. O'Brien, Mr. Price of Illinois, Mr. Rostenkowski, Mr. Shipley, Mr. Yates, and Mr. Young of Illinois):

H.R. 15954. A bill to name a Federal office building to be located in Carbondale, Ill., the "Kenneth J. Gray Federal Building"; to the Committee on Public Works.

By Mr. RODINO:

H.R. 15955. A bill to amend section 1114 of title 18 of the United States Code to make the killing, assaulting, or intimidating of any officer or employee of the Federal Communications Commission performing investigative, inspection, or law-enforcement functions a Federal criminal offense; to the Committee on the Judiciary.

By Mr. ROE (for himself, Mr. Roy, and Mr. Wolff):

H.R. 15956. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. HOSMER:

H.J. Res. 1089. Joint resolution assuring compensation for damages caused by nuclear incidents involving U.S. nuclear-powered warships; to the Joint Committee on Atomic Energy.

By Mr. ROUSSELOT:

H.J. Res. 1090. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans' Day; to the Committee on the Judiciary.

By Mr. BINGHAM:

H. Con. Res. 563. Concurrent resolution expressing the sense of Congress with respect to the autonomy of the Kurdish Nation; to the Committee on Foreign Affairs.

By Mr. RUNNELS:

H. Con. Res. 564. Concurrent resolution to declare the sense of Congress that Smokey Bear shall be returned on his death to his place of birth, Capitan, N. Mex.; to the Committee on Agriculture.

By Mr. ADAMS:

H. Res. 1235. Resolution to create a Select Committee on Aging; to the Committee on Rules.

By Mr. BROWN of Michigan (for himself, Mr. Gilman, Mrs. Green of Oregon, Mr. Gunter, Mr. Roe, Mr. Symms, and Mr. Wolff):

H. Res. 1236. Resolution amending rule XIII of the Rules of the House to require reports accompanying each bill or joint resolution of a public character (except revenue measures) reported by a committee to contain estimates of the costs, to both public and nonpublic sectors, of carrying out the measure reported; to the Committee on Rules.

By Mr. STEELMAN (for himself, Mr. Buchanan and Mr. Cohen):

H. Res. 1237. Resolution providing for the consideration of House Resolution 988; to the Committee on Rules.

## MEMORIALS

Under clause 4 of rule XXII,

513. The SPEAKER presented a memorial of the Senate of the Commonwealth of Massachusetts, relative to improving the welfare of children in South Vietnam; to the Committee on Foreign Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private

bills and resolutions were introduced and severally referred as follows:

By Mr. BROOMFIELD:

H.R. 15957. A bill for the relief of Señor Salvador Vanegas V.; to the Committee on the Judiciary.

By Mr. KETCHUM:

H.R. 15958. A bill to authorize the President 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. ROUSSELOT:

H.R. 15959. A bill to authorize the President 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. BOB WILSON:

H.R. 15960. A bill to authorize the President 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.

## SENATE—Tuesday, July 16, 1974

The Senate met at 8:30 a.m. and was called to order by Hon. GALE W. McGEE, a Senator from the State of Wyoming.

## PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, as this new day opens before us, help us to master ourselves that we may be the servants of others. Give us grace to distinguish between that which is Nation serving and that which is self-serving. Making us "men for others." In the daily round help us to separate the important from the unimportant, the big concern from the trivial contention. Grant us patience when it is difficult to be patient. Make us cheerful when it is difficult to be cheerful. Use us, O Lord, and all our powers for the betterment of the Nation and the building of Thy kingdom. And when evening comes, grant us the rest of those whose hearts are at peace with Thee.

Through Jesus Christ, our Lord. Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, D.C., July 16, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. GALE W. McGEE, a Senator from the State of Wyoming, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,  
President pro tempore.

Mr. McGEE thereupon took the chair as Acting President pro tempore.

## THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, July 15, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, after consultation with the distinguished acting Republican leader, I ask unanimous consent that the time for debate on Calendar No. 910, S. 1566, of 1 hour on the bill be extended to 3 hours on the bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed beyond the hour of 9 a.m. with statements limited to 5 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BAYH, from the Committee on the Judiciary, with an amendment and with additional views:

S. 821. A bill to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes (Rept. No. 93-1011).

By Mr. CANNON, from the Committee on Rules and Administration, with amendments:

S. 2102. A bill to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens who are residing or domiciled outside the United States (Rept. No. 93-1016).

By Mr. MAGNUSON, from the Committee on Commerce, with an amendment:

S. 3569. A bill to amend the Rail Passenger Service Act of 1970, and for other purposes (Rept. No. 93-1015).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 377. An act to authorize the Secretary of the Interior to sell certain rights in the State of Florida (Rept. No. 93-1017).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

H.R. 3544. An act for the relief of Robert J. Beas (Rept. No. 93-1012).

H.R. 7207. An act for the relief of Emmett A. and Agnes J. Rathbun (Rept. No. 93-1013).

By Mr. McGEE, from the Committee on Appropriations, with amendments:

H.R. 15472. A bill making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93-1014).

## EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

James B. Engle, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Dahomey; and

Robert P. Smith, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Malta.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)