

debate under the cloture rule will begin to run.

At 12 o'clock noon, the automatic quorum call will occur; and upon the establishment of a quorum, circa 12:15 p.m., the Senate will proceed to take a yea-and-nay vote, which is also mandatory under rule XXII, on the motion to invoke cloture.

What occurs during the rest of the afternoon depends upon the outcome of the cloture vote.

Mr. President, that is the statement of the program. If I have failed at some point to secure unanimous consent in accordance therewith, with respect to some detail, I ask unanimous consent at this time.

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

ADJOURNMENT TO 10 A.M.

Mr. CHURCH. Mr. President, in accordance with the previous order, I move that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and at 4:45 p.m., the Senate in executive session, adjourned until tomorrow, Tuesday, February 5, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate February 4, 1974:

U.S. COAST GUARD

Rear Adm. Owen W. Siler, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard for a term of 4 years with the grade of admiral, while so serving.

Rear Adm. Ellis Lee Perry, U.S. Coast Guard, to be Vice Commandant of the U.S. Coast Guard with the grade of vice admiral, while so serving.

U.S. ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Robert Edmondston Coffin, xxxx-xx-xxxx, Army of the United States (major general, U.S. Army).

HOUSE OF REPRESENTATIVES—Monday, February 4, 1974

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

I am ready for anything through the strength of Him who lives within me.—Philippians 4: 13.

O Thou who art from everlasting to everlasting and whose truth endureth forever, prepare us in mind and in heart for the tasks of this week and may the work done be for the highest good of our people.

Give grace and wisdom to those who labor as our representatives under the dome of this Capitol that they may be examples of integrity, insight, and intelligent action on behalf of our beloved country. Enlighten their minds, purify their hearts, strengthen their hands, and so fill them with Thy spirit that their labors may lift our country to loftier levels of united action and to the higher heights of moral living.

In the spirit of the Master we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

MESSAGE FROM THE SENATE

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

H.R. 7824. An act to establish a Legal Services Corporation, and for other purposes.

The message also announced that the Senate had passed a concurrent resolu-

tion of the following title, in which the concurrence of the House is requested:

S. Con. Res. 64. Concurrent resolution authorizing the printing of congressional eulogies and other tributes to the late J. Edgar Hoover as a Senate document.

The message also announced that the majority leader and minority leader, pursuant to Public Law 93-155, appointed Mr. Karl Bendetsen and Mr. Curtis Tarr to the Defense Manpower Commission.

PROJECTED SURRENDER OF U.S. SOVEREIGNTY OVER U.S.-OWNED CANAL ZONE: A DIRECT CHALLENGE TO THE CONGRESS THAT MUST BE MET

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

Mr. FLOOD. Mr. Speaker, the press has recently announced that on Thursday of this week Secretary Kissinger will fly to Panama to sign a "declaration of principles" for a new canal treaty. Any agreement under its guidelines would surrender U.S. sovereign contract over the U.S.-owned Canal Zone, and this without the authority of the Congress to which it is a direct challenge that must be met.

Later today, I plan to address the House on this subject and to offer a plan of action to meet the threat. I trust that as many Members as possible will be present and take part in the discussion for the issue is a crucial one affecting the security of the entire Western Hemisphere and about which citizens all over the Nation are deeply concerned, especially in coastal States with shipping that uses the canal.

ARMY TRADITION—A CRUEL HOAX

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

Mr. ANDERSON of California. Mr. Speaker, many of you can recall your days in the military and you can remem-

ber the service's pride in taking care of its family.

A certain esprit de corps was built by the fact that you knew the military would take care of its own.

But today, that tradition of the Army "family" has become a cruel joke to the 100,000 military retirees and dependents in the Los Angeles area.

After serving their country—many through battles ranging from Iwo Jima, Pork Chop Hill, and the Iron Triangle—the Army sergeant or lieutenant colonel retires near a military post for a couple of reasons: first, to stay near the "family," and second, to avail themselves of the services which help make up for the paltry retired pay.

And now, the Department of Defense wants to close Fort MacArthur—established in 1888—the only Army post in all of southern California—the only fort in an area with over 11 million people—a population larger than any State save two—New York and Pennsylvania.

And, so, the Army abandons these Americans—it disregards their needs, it disregards the Army tradition, and it proves the Army "family" to be a hoax—only to be used to draw enlistments, and then forgotten.

THANK YOU, ROY ASH!

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

Mr. HECHLER of West Virginia. Mr. Speaker, on behalf of my colleagues I would like to extend thanks to the Director of the Office of Management and Budget, the Honorable Roy Ash, for his personal intervention to enable Members of Congress to get copies of the President's 1975 budget on Friday at the same time they were made available to the news media.

Otherwise, it had been planned to keep Members of Congress in the dark for 72 hours before making the budget available to Members of Congress today. The ridiculousness of this was made apparent when Tass, the Russian news agency, could get its copy of the budget and inform its readers and leaders in the

Soviet Union 72 hours before such information was even available to Members of Congress.

It is heartening to discover that the OMB, even if it impounds funds, has decided not to impound the text of the budget itself.

DISAPPROVAL OF SALARY INCREASE

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

Mr. FLYNT. Mr. Speaker, I have today introduced a House resolution calling for the disapproval of the salary increase proposal for certain officials in the executive, legislative, and judicial branches as transmitted by the President to the Congress in the budget for the fiscal year ending June 30, 1975.

In 1967 the Congress enacted the Post-al Revenue and Salary Act, which unwisely established the Commission on Executive, Legislative, and Judicial Salaries. I opposed the act in 1967, and I oppose the act now because it provides a convenient backdoor approach to permit a congressional salary increase without requiring a recorded vote on such a proposed upward adjustment. I felt in 1967 and I continue to feel that authorization of salary increases by nonaction is bad government. All Members should be willing to stand up and be counted and be recorded.

The issue before us today is not whether Members of Congress and other top officials of the Federal Government deserve an increase in pay. The fundamental issue centers on whether we in Congress are going to set the example for increased wage demands in the United States and further accelerate the dangerous inflationary spiral, afflicting our economy. Are we going to repeat the mistake we made in 1969 when we failed to reject the salary increase proposed then? I am convinced that the 1969 congressional pay raise—much of which I then opposed—was a basic contributory factor to the inflation we are experiencing today.

A Federal congressional, executive, and judicial salary increase at this time would be unconscionable. It would set a bad example for the country at a time when we are trying to curb inflation and limit wage and price increases to modest amounts. I do not believe that most Members of Congress are overpaid. But, the essential consideration is the example of self-discipline and fiscal restraint we in Congress should set. All Americans—Members of Congress included—are being asked to hold the line on prices and wages in the fight against inflation. Let us in the Congress not ask less of ourselves than we do of the American public, and vote to disapprove the proposed wage increase.

THE PRICE OF FUEL

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

Mr. HAYS. Mr. Speaker, I have had numerous calls from individual truckers

and trucking firms this morning who cannot operate, part of them because they are afraid, part of them because they cannot get fuel, and part of them because they cannot afford to pay the price. I told them that the President has the power to roll back the price in emergency legislation now in effect. All he has to do is sign his name.

But I also told them with Simple Simon and Stupid Sawhill running the program, I did not expect much relief, because every time either one of them goes on television, about the only thing he winds up with is saying that the price of fuel ought to go up another 10 cents.

They do not really have to invite the oil companies to raise the price; they will do it without invitation; but when they invite them to do it, the oil companies will jump right in and do it real fast.

I might say that the people are not being fooled by this because the biggest applause I got during the recess was in a speech where I happened to mention the term Simple Simon, and the audience stood up to applaud, so they know him for the phony and faker he is.

If we are going to impeach anybody around here, maybe we ought to start with him.

MAJORITY LEADER THOMAS P. O'NEILL SAYS BUDGET PRIORITIES MUST BE REVISED

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

Mr. O'NEILL. Mr. Speaker, the President's \$304 billion budget is top-heavy in favor of the military. It does nothing to retard inflation, and it threatens a further shortchanging of vital domestic programs.

The duty of this Congress is clear. First, we must cut the budget well below the \$304 billion total if we are to make any progress toward economic stability this year. Second, we must revise the priorities in this budget so that the money we do spend is oriented toward the vital domestic areas where we need it most: energy research and development, education, health, housing, and other programs. This Congress must be concerned with the problems of unemployment, food production and distribution and other areas that affect the great majority of our people.

One good place to start is by diverting funds from a military budget that has just gotten out of hand. We need to make a start at reducing our commitments abroad, including those 400 expensive military bases that we persist in maintaining. These constitute a severe drain on our domestic economy that we can no longer afford. Other nations are outstripping us in production and economic capacity; the time has come for them to bear a greater portion of their own defense costs while we tighten up at home.

This administration has not given proper emphasis to this budget in terms either of priorities or economic stability. We must revise this budget to fit this era of energy, economy and environment.

CUTTING THE BUDGET

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

Mr. ROUSSELOT. Mr. Speaker, I am delighted to hear the majority leader of the House talking about cutting the budget. I hope he means it. I hope he and the Congress as a whole will work to accomplish the stated goal. I hope he will vote that way, because a majority of the Members on our side of the aisle have been trying to do that for years. Every time we try to cut big spending bills the Members on the Democrat side of the aisle come in with supplemental appropriations rolling over the ceilings and add more and more spending to the cost.

Let us state today where the responsibility really is. It is right here in this Congress. If the majority leader wants to cut the budget, let him show us by deeds and I believe the House will follow his suggestion.

BILL TO REQUIRE PLEDGE OF ALLEGIANCE FOR MAKING APPLICATION FOR PASSPORT

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

Mr. DEVINE. Mr. Speaker, recently the U.S. court of appeals ruled that it was no longer necessary to pledge allegiance in making application for a passport in this country. Someone in the Department of State apparently decided they did not want to appeal this decision to the Supreme Court and the appeal time has now passed.

Accordingly, I have today introduced a bill that would require the oath of allegiance to this Nation not only in being eligible for a passport but for making application for a passport.

AMENDMENT TO BE OFFERED TO H.R. 5463, FEDERAL RULES OF EVIDENCE

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

Mr. DENNIS. Mr. Speaker, under the rule adopted by the House last week I insert in the RECORD at this point the text of an amendment which I may offer to H.R. 5463, the Federal rules of evidence bill, when it is considered later on this week, the amendment being to rule 803(8)(B).

The amendment is as follows:

Amendment offered by Mr. DENNIS: Page 94, line 11, after the word "law," in said line insert "excluding, however, in criminal cases matters observed by police officers and other law enforcement personnel."

Remember succeeding lines accordingly.

AMENDMENT TO BE OFFERED TO H.R. 5463, FEDERAL RULES OF EVIDENCE

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

Mr. MAYNE. Mr. Speaker, in compliance with House Resolution 787, the resolution providing for House consideration of H.R. 5463, the Federal Rules of Evidence, and for the consideration of amendments printed in the CONGRESSIONAL RECORD 2 calendar days prior to consideration of amendments to the bill, I request that my amendments to rule 405(a) and to rule 608(a) of H.R. 5463 as reported by the House Judiciary Committee be printed at this point in the RECORD, following my remarks. These amendments in effect restore the language recommended by the Advisory Committee of the Judicial Conference of the United States with respect to these two rules, and will permit testimony of character based on opinion of the witness.

Amendment of Mr. MAYNE to rule 405(a): On page 76, line 20 of the bill, after the word "reputation", insert the words "or by testimony in the form of an opinion".

Amendment of Mr. MAYNE to rule 608(a): On page 82, line 3 of the bill, strike the word "Reputation", and insert the words "Opinion and reputation".

On page 82, line 5 of the bill, after the word "reputation", insert the words "or opinion".

On page 82, line 9 of the bill, after the term "attacked by", insert the words "opinion or".

Mr. Speaker, I further intend to propose an amendment to rule 801(d) (1) of H.R. 5463, to restore the language of that Rule to the form reported by the Subcommittee on Criminal Justice in its committee print. The effect of the amendment would be to remove from the definition of hearsay the prior inconsistent statements of a witness when those statements were made under oath, as in a trial, a deposition, a hearing or a grand jury proceeding. Such prior inconsistent statements would be admissible not only to impeach the witness but also as substantive evidence, that is, as evidence that a jury may accept for the truth of the matter asserted. This is clearly constitutional according to the Supreme Court decision of *California v. Green*, 399 U.S. 149 (1970), and is in accord with the thinking of many legal commentators including Professor McCormick. The amendment is as follows:

Amendment by Mr. MAYNE to H.R. 5463, rule 801(d) (1): On page 90, line 24 of the bill, after the word "oath", strike the words "subject to cross-examination."

On page 91, line 1, of the bill, after the word "deposition", insert the words "or before a grand jury".

REJECT PAY RAISE

(Mr. GROSS asked and was given permission to address the House for 1 minute.)

Mr. GROSS. Mr. Speaker, I have today introduced on behalf of Mr. BAUMAN of Maryland and myself, a resolution of disapproval for the purpose of rejecting the President's recommendations with respect to executive, legislative, and judicial pay which he has sent to the Congress with his budget proposals.

In his recommendation, the President proposes to increase the pay of Federal judges, top level Federal executives, and Members of Congress at the rate of 7½ percent annually for each of the next 3 years.

Under the provisions of the Federal Salary Act of 1967, these Presidential recommendations become effective after 30 days unless within that time either House of the Congress disapproves all or part of the recommendations.

Mr. Speaker, considering the present state of our economy and Federal finances, I cannot imagine a more inappropriate time for such increases to be proposed. At a time when many segments of our Nation and its people are faced with unemployment and belt-tightening, it is inconceivable that fattening the payroll of upper echelon Federal executives, Federal judges, and Members of Congress would even be proposed.

The resolution I introduce denies the implementation of these proposed increases, and if adopted by the House, will lay the matter to rest. If Members' pay is an urgent matter, then I suggest that pay proposals should rightfully be initiated by the Congress.

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

Mr. GROSS. I yield to the gentleman from Indiana.

Mr. DENNIS. I would like to take the opportunity to strongly agree with what the gentleman says, and to ask if he has any suggestion as to how we can get this matter to a vote in this body.

Mr. GROSS. I can only say to my friend from Indiana that we who are opposed will do the best we can to obtain a record vote.

PROGRAM CHANGE

Mr. O'NEILL. Mr. Speaker, I take this time to announce a change in the legislative program for this week. We are moving House Resolution 803 subpena authority for the impeachment inquiry from Tuesday to first thing Wednesday.

APPOINTMENT AS A MEMBER OF NATIONAL FOREST RESERVATION COMMISSION

The SPEAKER. Pursuant to the provisions of 16 U.S.C. 513, the Chair appoints as a member of the National Forest Reservation Commission the gentleman from Mississippi (Mr. LOTT) to fill the existing vacancy thereon.

COMMUNICATION FROM CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
February 1, 1974.

HON. CARL ALBERT,
The Speaker, House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's office at 12:45 p.m. on Friday, February 1, 1974, and said to contain the Economic Report of the

President, together with the Annual Report of the Council of Economic Advisers.

With kind regards, I am,
Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. No. 93-278)

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

To the Congress of the United States:

The United States enters 1974 in a position of leadership in the world economy. The dollar is strong, we have constructive economic relations throughout the world, and we have the greatest freedom of action resulting from our great capacity to produce. We must take the responsibilities and the opportunities this position of leadership gives us.

Nineteen hundred and seventy-three was a year of problems and progress in the American economy. In some respects the problems were greater than we expected and the progress was less than we had hoped. But the areas of our solid achievements were more important than the areas of our disappointments. We and the world around us have difficult tasks ahead—primarily to deal with an old problem, inflation, and to deal with one that has just become acute, energy. But the United States confronts these difficulties with a strong and adaptable economy, which means an economy of capable and enterprising people.

In the middle of 1971, when the New Economic Policy was launched, the country had three economic objectives: to promote the expansion of output and reduce unemployment, to correct the persistent deficit in the U.S. balance of payments, and to check the inflation which had been going on for 5½ years. To achieve these objectives a comprehensive program of action was initiated. Taxes were reduced. Price and wage controls were instituted. The exchange rate of the dollar was set free to adjust to market conditions, and steps were initiated to improve the international monetary system.

There has been great progress toward two of these three objectives. Production and employment have risen rapidly. Total civilian employment was 6.8 million higher in December 1973 than in June 1971. The unemployment rate had fallen from 6 percent to a little under 5 percent. In 1973 a larger percentage of the civilian population over the age of 16 was employed than ever before.

With vigorously rising employment, and rising productivity as well, there was a big increase in output of goods and services, the essential ingredients of higher living standards. In the 2½ years of the New Economic Policy, total output increased by 14 percent, which is about 35 percent above our average for a period of this length. The real income of Ameri-

can consumers per capita, after taxes, rose by 8½ percent, also well above our long-term rate. Both real output and real income, of course, reached record highs.

The second goal of the New Economic Policy, to strengthen the international financial position of the United States and of the world, was also largely achieved. The significance of this goal is commonly neglected in America. But a country whose currency is weak, whose currency others don't want to hold, is greatly limited in what its government and citizens can do—in buying goods abroad, in traveling freely, in investing freely, in maintaining forces abroad if necessary. And if a country goes on spending more abroad than it earns abroad, its freedom of action is going to be curtailed. There has been a dramatic change in our balance of trade, from a deficit of \$917 million in the second quarter of 1971 to a surplus of \$714 million in the third quarter of 1973. We have not only improved our own position but we have also taken the lead in strengthening the international system. The more flexible system we have promoted withstood numerous shocks during 1973, and at the same time the world economy and international trade and investment continued to expand.

It is the third of the three objectives of the New Economic Policy—the control of inflation—that has been our great difficulty. Until the end of 1972 the New Economic Policy, drawing on the results of earlier fiscal and monetary restraints, worked well in getting the rate of inflation down, even though worrisome rises in food prices appeared. But in 1973 inflation speeded up sharply. During the year, consumer prices increased by almost 9 percent.

Of course, the progress on the first two objectives was connected with the disappointment on the third. The rapid rise toward full employment, the expansion of our net exports, and the reduction in the value of the dollar to make the United States more competitive, all contributed to the resurgence of inflation. But there were other factors at work, less directly under our control. Food production lagged in major producing countries, including the United States. An extraordinary combination of booms in other countries boosted prices of industrial materials. Countries jointly controlling a large part of the world's exportable oil supplies decided to raise their prices substantially. During 1973 food prices accounted for 51 percent of the total rise of consumer prices, and energy prices accounted for another 11 percent.

The American people generally prospered despite the inflation in 1973. Their incomes, on the average, rose more than prices. But there were many families for which that was not true. We cannot accept continuation of the inflation rate of 1973, and still less can we risk its acceleration. We must dedicate ourselves to carrying on the fight against inflation in 1974 and thereafter.

There are at least four lessons we can learn from our past experience in combating inflation:

1. *The importance of patience.* To correct a powerful trend of the economy

which has been going on for some time requires time. Sharply squeezing down the economy in an effort to halt inflation would produce a severe drop in employment and economic activity and create demands for a major reversal of policy. Pumping up the economy to get quickly to full employment would risk setting off even swifter inflation. We need a greater steadiness of policy.

2. *The importance of the rest of the world.* The events of 1973 brought our external economic relations sharply to our attention. Most simply put, it will be exceedingly hard for us to have a stable economy in an unstable world. We must contribute a stabilizing influence to the world economy of which we are a large part. We must promote concerted efforts to maintain the health of the world economy.

3. *The importance of production.* Despite other vicissitudes, what determines the economic well-being of the American people more than anything else is the rate of production. The rapid increase of production has provided the rising real incomes of the American people. More specifically, increasing food production is the best way to deal with the food price problem, and increasing our energy supplies is the best way to deal with the energy shortage. We think of ourselves as a Nation with high and strongly rising output. We are. But we can do better and it is important that we do better.

4. *The importance of free markets.* In the past several years, under the pressure of emergency conditions, we have made great, but temporary, departures from reliance on free prices and free markets. In special circumstances and for short periods these departures have been helpful. But taken together, these experiences have confirmed the view that the free market is, in general, our most efficient system of economic organization, and that sustained and comprehensive suppression of it will not solve the inflation problem.

At the beginning of 1974 the three problems which have dominated economic policy for many years—inflation, unemployment, and the balance of payments—have been joined by a fourth—the energy problem. Or rather, the other three problems have been pervaded by the energy problem. The present oil situation means that we are paying much higher prices for imported oil than formerly and that the volume of imports at the present time is less than we would freely buy even at those prices. But the prices and volumes are both highly uncertain and add uncertainties to the economic picture for the year.

The current and prospective oil situation will at the same time raise prices, limit production in some industries, and reduce demand in others. It will be the objective of the Administration's policy to do three things in this circumstance:

1. To keep the moderate slowdown of the economic boom from becoming excessive because of the energy shortage;
2. To keep the rise of fuel prices from spilling over unnecessarily into

more inflation in other parts of the economy; and

3. To set the stage for stronger economic expansion with greater price stability after the initial price and output disruptions caused by the energy shortage have been absorbed.

Achieving these goals in this unpredictable economic environment will require alertness and adaptability. We cannot set a policy at the beginning of the year and let it run without further consideration. But we can describe the main elements of our present strategy.

1. We will maintain a budget of moderate economic restraint. Even though the combination of urgent requirements and inescapable commitments generates pressures for huge expenditure increases, the budget I will propose will keep the expenditures within the revenues that the tax system would yield at full employment.
2. We will be prepared to support economic activity and employment by additional budgetary measures, if necessary.
3. We urge the Congress to enact the legislation I proposed last year for improving the unemployment compensation system, with further strengthening amendments I will submit. This would provide better protection for workers who may lose their jobs, whether because of the energy shortage or for other reasons, and also help to protect the economy better against the secondary effects of their unemployment.
4. Working together with other consuming countries, including the developing countries, and with the oil-exporting countries, we will try to arrive at an understanding on mutually beneficial conditions of exchange.
5. We will try to manage the energy shortage in such a way as to keep the loss of jobs and production to a minimum, although some loss is inevitable in the short run. The allocation system is designed to assure an adequate flow of oil to those industries where lack of it would limit employment the most. We shall also have to provide or permit incentives—including higher prices—for maximum imports, for maximum domestic exploration and production, and for efficient use of our scarce supplies. To prevent higher prices from causing excess profits, I have proposed an Emergency Windfall Profits Tax, which I urge the Congress to enact promptly.
6. We will work with other oil-importing countries to prevent the higher prices of oil and its limited supply from generating a downward spiral of recession. The higher prices will cause dislocations and impose burdens on all consuming countries; they do not have to cause a spreading recession if we manage our affairs cooperatively and wisely.
7. We will continue our policy of maximum agricultural production to help hold down food prices.

8. We will continue our policy of progressive removal of price and wage controls in order to restore the flexibility needed for efficiency and expansion in a time of economic strain.

The effort to maintain the stability of our economy in the face of the present unusual conditions will absorb a great deal of attention this year. But we must not neglect the fundamental factors which determine the prosperity of the American people in the longer run. One of these has come to general public attention with a rush—the need for adequate supplies of energy at reasonable cost. We are seeing the possible consequences of being deprived of these, and we must not allow it.

The energy problem has had two main parts for some time:

First, with rapidly rising world demand for energy, most of which comes from depletable resources, we could run into sharply increasing costs of energy unless vast investments are made in research, development, experimentation, and production.

Second, we are exposed to the danger of being thrown back upon inadequate or very expensive sources of energy earlier than necessary by joint action of a few countries that control a large part of the existing low-cost reserves of oil.

To deal with this problem I began proposing, almost 3 years ago, a number of governmental measures to permit or assist development of energy within the control of the United States. In 1973 the second part of the problem, which had formerly been a threat, became a reality at least temporarily, and this has demonstrated unmistakably the urgency of the steps I have recommended.

I propose that the United States should commit itself to "Project Independence" to develop the capacity for self-sufficiency in energy supplies at reasonable cost. One key element of Project Independence is a 5-year, \$10 billion program of federally financed research and development in the field of energy. My budget for fiscal year 1975 will include almost \$2 billion for this purpose. By far the largest part of the research, development, and production required by Project Independence will be private, and steps to stimulate the private contribution are essential. Among the numerous measures to this end which I called attention to in my latest energy message on January 23, were several tax proposals. Last April I proposed that the investment credit be extended to cover exploratory drilling for new oil and gas fields, while the tax shelters for wealthy taxpayers associated with such drilling would be eliminated. In my recent message I asked Congress to eliminate the depletion allowance given to U.S. companies for foreign oil production but to retain it for domestic production, in order to shift the incentive to exploration and production at home. I have also asked the Treasury Department to prepare proposals for revising the treatment of taxes paid by oil companies to foreign governments, both to improve tax equity and to increase the incentive for domestic production.

Energy is only the most dramatic example of the need for policies to promote

a rising American standard of living by increasing production and assuring the stability of supplies. There are many others.

I. We have discovered that we no longer have a surplus of food, in the sense of producing more than we need either to consume at home or to sell abroad in order to pay for the things we buy abroad. We no longer have great reserves of food in storage and acreage withheld from use. We have freed the American farmer to produce as much as he can and we should keep him free. American agriculture is, and should be, heavily involved in exports. This means that the American food price level and the American consumer are directly influenced by the forces of world demand and supply. International cooperation is needed to promote food production and the maintenance of stocks adequate to shield consumers from the more extreme variations of output. At the call of the Secretary of State, preparations are now being made for a conference on this subject to be held under United Nations auspices.

II. Our ability to buy abroad what is produced more efficiently abroad, and to sell abroad what we produce more efficiently, contributes to the productivity of the American economy. At my recommendation the countries of the world are now preparing to negotiate new steps in foreign trade policy which will further invigorate this beneficial process. I urge the Congress to enact promptly the trade legislation I have proposed to permit the United States to participate in these negotiations.

III. One of our most essential industries—freight transportation—is unfortunately shot through with inefficiencies. Many of these inefficiencies are the result of obsolete, shortsighted, and excessive regulation. Hundreds of millions and probably billions of dollars a year could be saved by unleashing carriers and shippers to carry the freight on the most efficient mode of transportation, in the most efficient way. I have sent to the Congress new proposals to this end.

IV. In 1973, as in 1972, relatively few days of work were lost as a result of industrial disputes. Continuation of this record would be a valuable contribution to the level and stability of production. I have appointed a Commission on Industrial Peace, composed of leaders of management and labor with an impartial chairman to make recommendations for bringing that about.

V. In addition to the major research and development effort to provide secure supplies of energy, without abusing our natural environment in doing so, this Administration is continuing its support of research and development projects that will help maintain a healthy rate of innovation and productivity growth in the rest of our economy. These activities will be supported at record levels in the coming year, and we are also trying to get a higher return for every dollar we spend.

VI. An indispensable source of economic growth is saving and investment in productive facilities. It should be the policy of government to interfere with this process as little as possible. The government should not absorb private sav-

ings into financing its deficits in times when private investment would otherwise utilize all the private saving. Our basic budget policy of balancing the budget or running a surplus under conditions of high employment carries out this principle. Moreover, taxation should not depress productive investment by unduly burdening its return. We should not indulge in demagogic and shortsighted attacks upon profits.

VII. We must push forward, as we have been doing, to remove barriers against the entry of women and minorities into any occupation and against their maximum training and advancement. The men and women of the country are its greatest economic resource. To fail to use any of this resource to its full potential is a serious loss to us all.

Compared with our parents and grandparents we are enormously rich. We have protections against the ebbs and flows of economic life that they never expected and barely imagined. But I cannot assure the American people of an easy time. Like our parents and grandparents, we have our own tests. If we meet them with fortitude and realism the period ahead can be one not only of material advance but also of spiritual satisfaction.

RICHARD NIXON.

FEBRUARY 1, 1974.

CALL OF THE HOUSE

Mr. MONTGOMERY. 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. 12]

Abzug	Froehlich	Nelsen
Addabbo	Fuqua	Nichols
Andrews, N.C.	Gettys	Parris
Andrews,	Gilman	Passman
N. Dak.	Gray	Pepper
Badillo	Gubser	Pettis
Bafalis	Haley	Pickle
Bell	Hammer-	Rangel
Brademas	schmidt	Reld
Brasco	Harrington	Rhodes
Burke, Calif.	Hawkins	Rinaldo
Carey, N.Y.	Hébert	Rodino
Chappell	Heckler, Mass.	Roncallo, N.Y.
Chisholm	Hinshaw	Rooney, N.Y.
Clark	Jarman	Rose
Collins, Ill.	Jones, Ala.	Roy
Conable	Jones, Okla.	Runnels
Conte	Jones, Tenn.	Ruppe
Conyers	Kemp	Satterfield
Corman	Ketchum	Smith, N.Y.
Cotter	Kluczynski	Snyder
Cronin	Kyros	Stark
Culver	Landrum	Steele
Davis, Ga.	McEwen	Stuckey
de la Garza	McKinney	Teague
Dellums	McSpadden	Thompson, N.J.
Diggs	Madden	Van Deerlin
Dingell	Mann	Veysey
Donohue	Maraziti	Ware
Dorn	Mathias, Calif.	Wilson, Bob
Dulski	Mathis, Ga.	Winn
Eckhardt	Metcalfe	Wyder
Eshleman	Mills	Young, Ga.
Fish	Mink	Young, Ill.
Fisher	Minshall, Ohio	Young, S.C.
Fraser	Mollohan	

The SPEAKER. On this rollcall 324 Members have recorded their presence by electronic device, a quorum.

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

THE BUDGET MESSAGE OF THE PRESIDENT, 1975—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-265 AND 93-266)

The SPEAKER. The Clerk will read the message from the President of the United States.

The following message from the President of the United States was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed with illustrations:

To the Congress of the United States:

The Federal budget must be both a consistent statement of our national objectives and a responsible plan for achieving them. The budget that I propose for fiscal year 1975 meets these standards. It places special emphasis on:

- the proper fiscal balance to keep the economy on the track to sustained high employment and more stable prices;
- a strong defense force in support of our efforts to build an enduring structure of peace in the world;
- a comprehensive energy program to deal with current shortages and to reestablish our ability to be self-sufficient in energy;
- the New Federalism philosophy of strengthening the role of State and local governments, and of the individual citizen;
- basic reforms of major domestic programs; and
- efficient management of the Federal Government in the years ahead, through a more intensive focus on the tangible results that programs achieve.

In the face of economic uncertainty, my budget recommendations provide for a fiscal policy that would support high employment while restraining inflation. It would maintain the flexibility to take further action, if needed, to offset the effects of energy shortages. My budget recommendations hold the rise of Federal spending to the minimum increases necessary.

The budget recommends total outlays of \$304.4 billion in 1975, \$29.8 billion more than in 1974, and anticipates receipts of \$295 billion, a \$25 billion increase over 1974. About 90% of the increase in outlays between 1974 and 1975 represents mandatory spending increases that are unavoidable under current law.

THE BUDGET AT A GLANCE
[In billions of dollars]

Item	1973 actual	1974 estimate	1975 estimate
Receipts.....	232.2	270.0	295.0
Outlays.....	246.5	274.7	304.4
Deficit (-).....	-14.3	-4.7	-9.4

Under conditions of full employment—conventionally defined as a 4% unemployment rate—Federal receipts would be substantially higher and outlays somewhat lower than these figures. Thus, on

a full employment basis the budget shows a surplus of \$4 billion in 1974 increasing to \$8 billion in 1975.

The budget proposes increases for defense activities so that we can increase our defense preparedness and preserve present force levels in the face of rising costs. These proposals reflect minimum prudent levels of defense spending consistent with maintaining adequate armed forces to assure our national security.

The budget includes my program, Project Independence, to reestablish our capability for self-sufficiency in energy. I plan Federal funding of \$10 billion for the accelerated energy research and development component of this program over the next 5 years. Other measures already underway or proposed will help reduce low-priority energy use and minimize economic dislocations due to shortages. Our vigorous diplomatic efforts to restore an acceptable pattern of world trade in petroleum will complement these measures.

The budget carries forward the New Federalism philosophy. This philosophy stresses the need to recognize the different roles appropriate to each level of government, and to the private sector—thereby strengthening individual choice and self-reliance in America. The New Federalism calls for Federal support in meeting national problems and holds that State and local authorities are best able to make decisions on local and statewide needs in accordance with local conditions and community aspirations. Federal aid in the areas of law enforcement, manpower, and rural development incorporate the principles of New Federalism. I now propose to apply this philosophy in major reforms of Federal assistance for health, education, community development, and transportation.

Our welfare system is inefficient and inequitable. I urge the Congress to work with my Administration in developing a new system that is simple, fair, and compassionate.

I am once again proposing a comprehensive plan for national health insurance that would make adequate insurance against the costs of health care available to all Americans. This far-reaching reform is long overdue. I urge early congressional action on it. The budget proposes measures to prepare for this program.

Federal taxes impose a large burden on the Nation. Each Federal program, therefore, must be managed as efficiently as possible, and each must be subject to continuous scrutiny as to how well it meets today's highest priority needs. This budget supports the major management initiatives I have undertaken to ensure that Federal programs produce results that truly satisfy the needs of the American people—and do so at the lowest possible cost to the taxpayer.

The end of American combat involvement in the Vietnam war and the reduction of cold war tensions in recent years have contributed to a significant shift in the composition of the Federal budget. Defense outlays remained virtually constant from 1968 to 1974, despite substantial cost increases and the pay raises which have accompanied the transition to an all-volunteer armed force. These added costs were offset by large savings

resulting from reductions in men and materiel. Defense costs have been a decreasing share of our national budget, falling from 44% of Federal spending in 1969 to an estimated 29% in 1975.

Conversely, Federal nondefense spending has increased from 56% of Federal spending in 1969 to 71% in this budget. In the process, the form that Federal spending takes has shifted dramatically away from support for direct Federal operations and toward benefit payments to individuals and grants to State and local governments.

When I took office as President in 1969, defense outlays were nearly one-fifth more than combined outlays for aid to individuals under human resource programs and for aid to State and local governments. While our defenses are being maintained and strengthened, this budget proposes spending nearly twice as much money for aid to individuals and to State and local governments as for defense. This dramatic shift in Federal spending both reflects and supports the New Federalism.

THE BUDGET AND THE ECONOMY

During the past year, our economy operated at close to full capacity. In fact, the Nation's capacity for producing basic materials was used at a higher rate than in any previous year since World War II. New jobs were created for about 2¼ million people. Unemployment fell from a 5.4% average rate in the second half of calendar year 1972 to a 4.7% rate in the second half of 1973. At the same time, adverse weather and other conditions cut into the world's food supplies, including ours, while the policies of exporting countries cut supplies of oil and raised its price sharply.

These developments created a severe inflation during calendar year 1973, particularly in prices of food and energy. Our budget policy has been a key element in the effort to control that inflation. Strict limitation of expenditures in 1973 applied fiscal restraint to an economy that was expanding at an unsustainable rate. The budget totals recommended here continue a policy of fiscal responsibility as part of a continuing anti-inflation program.

THE BUDGET TOTALS

[Fiscal years. In billions]

Description	1972 actual	1973 actual	1974 estimate	1975 estimate
Budget receipts.....	232.2	270.0	270.0	295.0
Budget outlays.....	246.5	274.7	274.7	304.4
Deficit (-).....	-14.3	-4.7	-4.7	-9.4
Budget authority.....	276.7	310.9	310.9	322.1
Outstanding debt, end of year:				
Gross Federal debt.....	437.3	468.4	486.4	508.0
Debt held by the public.....	323.8	343.0	346.5	359.0
Outstanding Federal and federally assisted credit, end of year:				
Direct loans.....	50.1	43.9	45.9	48.2
Guaranteed and insured loans ¹	133.7	147.7	159.7	170.7
Government-sponsored agency loans ²	48.9	67.2	83.3	86.8

¹ Excludes loans held by Government accounts and special credit agencies.

² See table E-7 in Special Analysis E, "Federal Credit Programs," published in a separate volume.

There is now evidence that the economy is slowing down. In part this is due to the energy shortage, which limits our ability to produce some products and reduces demand for others. Our energy-use policies are designed to minimize the adverse impact of the energy shortage on the economy, but some effect is inescapable.

Some slowdown in the growth of demand is appropriate to help check inflation. This is especially true in view of supply limitations. But this slowdown should not be permitted to go too far. Therefore, I propose a budget which will continue a posture of moderate restraint rather than greatly intensifying that restraint. Also, my Administration is developing and will be prepared to use a range of measures to support the economy if that should be necessary—measures tailored to the special conditions of the energy shortage. Along these lines, the Congress should enact the proposals I made last year to improve our regular unemployment insurance system by establishing higher minimum benefit standards and extending coverage to farm workers.

Under conditions of full employment the budget outlays I propose would be less than the receipts from present and proposed taxes by about \$4 billion in 1974 and \$8 billion in 1975. A 4% rate of unemployment is used as a measure of full employment in calculating these surpluses. These surpluses, following a small full-employment deficit in 1973, and rising somewhat from 1974 to 1975, are consistent with our objective of moderate restraint.

In large part, the estimated increase in the full-employment surplus is the result of the high inflation rate experienced in calendar year 1973 and expected to continue for the first half of 1974. In the short run, inflation increases receipts more than it increases outlays. Thus, it increases for a time the surplus that would be achieved at high employment. This means that the budget has the effect of restraining inflation. The rising full-employment surpluses estimated here are largely the product of an inflation that is proceeding too rapidly. To use the size of these surpluses as an invitation or an excuse for more spending would only make the inflation rate worse.

THE FULL EMPLOYMENT BUDGET

(Fiscal years. In billions)

Description	1973 actual	1974 esti- mate	1975 esti- mate	1976 projec- tion
Full-employment receipts...	243	278	311	339
Full-employment outlays...	245	274	303	329
Full-employment sur- plus or deficit (-)...	-2	4	8	10

¹ In these estimates, outlays for unemployment insurance benefits and the Emergency Employment Act program are calculated as they would be at an unemployment rate of only 4 percent.

A 4% unemployment rate is used in calculating full-employment receipts and outlays as a conventional standard which approximately removes the effects on the budget estimates of year-to-year changes in the level of economic activity. To serve this purpose the unemployment rate used

for the calculations must be reasonably stable from year to year. However, this does not mean that the feasible and proper target for unemployment is always represented by the same figure. In fact, as a result of changes in the composition of the labor force, a 4% overall unemployment rate today would mean much tighter conditions in labor markets than would have been true ten or twenty years ago.

The estimates of receipts in this budget include the windfall profits tax on oil producers which I have proposed. This tax would recapture the excess profits that these producers would otherwise realize due to rising oil prices.

I continue to urge action on the tax reform and simplification proposals that were discussed with Congress last year. These proposals would not appreciably affect the overall tax burden on the economy; they would simply distribute it more equitably.

Our ability to carry out sound fiscal policy and to provide the resources needed to meet emerging problems is limited by decisions made in the past. The portion of the budget subject to discretionary control has shrunk in recent years primarily because of the relative decline in controllable defense spending, the growth in mandatory grants to State and local governments, and the growth in human resource programs (which largely take the form of benefit payments, set by law, to individuals and families). In 1975, over \$223 billion in outlays, or nearly three-quarters of the budget, will be *virtually uncontrollable* in the short run due to existing law and prior-year commitments. This represents a substantial decline in the controllability of the budget since 1967, when only 59% of outlays were uncontrollable.

Just as each budget is heavily influenced by commitments embodied in those that have preceded it, so each, in turn, strongly influences those that follow. Therefore, the future impact of current decisions must be taken into account by projecting future available resources and the known claims against these resources. This is why the 1975 budget presents detailed projections of its 1976 spending implications; this is also the reason that all five budgets submitted by my Administration have contained 5-year projections of full employment outlays and receipts.

The costs of existing programs and of the new programs I have proposed will rise over time in response to growth in the number of eligible beneficiaries for programs such as social security and other entitlement programs, and in response to price increases. The rise in outlays for existing and currently proposed programs, however, will be less rapid than the rise in tax receipts. Thus, by 1979, receipts are projected to reach about \$428 billion on a full-employment basis, while outlays for existing and proposed programs will be \$391 billion. This leaves a budget margin—a margin which can be used for tax reduction, new initiatives, or retirement of public debt—of about \$37 billion for 1979. This compares with a margin of \$10 billion projected for 1976. The 1979 margin is a relatively small one—less than 9% of the projected 1979 receipts—to cover the ex-

igencies of the next 5 years. But it is indicative of longer-term fiscal health if proper fiscal discipline is exercised.

TOWARD A LASTING WORLD PEACE

The overriding goal of American foreign policy is to build a lasting world peace, a peace resting on the solid foundation of mutual respect among all nations.

We have made great progress toward this objective during the past few years. During this Administration we have:

- ended American combat involvement in the war in Vietnam;
- ended the draft;
- established more cooperative relations with the Soviet Union;
- developed promising new relationships with the People's Republic of China;
- concluded an initial strategic arms limitation treaty with the Soviet Union; and
- provided diplomatic leadership toward a Middle East peace settlement.

Building sound foundations for a durable peace requires patient and skillful diplomacy. To be effective, statesmanship must be backed by credible military strength. The 1975 budget provides for the defense forces essential to protect our national security and to maintain the credibility and effectiveness of our diplomatic efforts to preserve world peace.

Increases in spending for military functions are necessary for both 1974 and 1975. Outlays of \$85.8 billion are proposed for 1975, compared to \$79.5 billion for 1974. These figures include the outlay impacts of proposed supplemental appropriations. These increases are required to improve the readiness of our armed forces, to build up levels of essential equipment and supplies, and to meet today's higher costs of maintaining force levels. They would also provide for a vigorous research and development effort that would enable us to produce new weapon systems if they are needed to maintain the strategic balance.

Because of the urgency I attach to a strong defense effort, I am recommending supplemental appropriations for 1974. An increase of \$2.8 billion in budget authority is proposed to improve combat readiness and modernize forces, to augment munitions stock levels in accordance with lessons learned in the Middle East war, and to meet higher fuel costs.

The increases proposed for defense should be viewed in the context of the substantial—but prudent—reduction in our defense forces that has taken place since I took office. This reduction has resulted primarily from our success in bringing about a general easing of world tensions, in achieving mutual arms limitations, and in improving weapons systems and military efficiency. We have 36% fewer men under arms today than we had in 1968. In constant dollar terms, we will spend substantially less for defense in 1975 than we did in 1964, before the Vietnam buildup began.

The dollar costs of defense manpower are much higher with an all-volunteer armed force than they were under the draft. The Nation is now paying the full real costs of its defense in dollar terms:

we no longer "tax" the young by commanding their services at less than their market value. I hope that we will never again need a draft.

Strengthening international economic cooperation is essential to our quest for peace. Expansion of peaceful trade relationships helps bind together the peoples of the world. We have already made considerable progress toward international monetary reform, progress which has helped bring about dramatic improvement in our balance of payments. The Trade Reform Act, now before the Congress, would authorize U.S. participation in a new round of international discussions to reduce trade barriers. Failure to enact this measure in a responsible form could result in a wave of trade protectionism that would undermine the economic well-being of all nations. I urge the Congress to approve it.

This budget provides for the continuation of our foreign assistance programs to strengthen the economies of developing nations, to provide humanitarian assistance and disaster relief, and to help friendly nations provide for their own defense.

MEETING THE NATION'S NEEDS FOR ENERGY AND BASIC RESOURCES

Until recent years, this country was largely self-sufficient in energy production. The rapidly growing demands of our households and industries for more and more energy, however, have now outstripped available low-cost domestic supplies. During the past few years we have become dangerously dependent on imported petroleum, which until recently was low in price. Development of relatively high-cost domestic sources has lagged.

Three years ago, in the first energy message delivered to the Congress by any President, I warned that the long era of abundant low-cost supplies of energy was drawing to a close. I proposed an expanded program to produce greater supplies of clean energy. Last April, in my second energy message, I warned that if existing trends continued unchecked, the Nation would face a serious energy problem; I proposed legislative action to meet this challenge. Since then, I have repeated my previous warnings and proposed urgent measures to restore our capability for energy self-sufficiency. The interruption of oil exports by Arab countries following the Middle East war last October has aggravated the energy problem and underscored sharply the need for this country to regain its ability to be self-sufficient in energy. I have taken all responsible actions I can within my existing authority to meet this challenge.

The 1975 budget reflects a comprehensive national energy policy to deal with current shortages and provides funds to initiate the Federal portion of Project Independence, an accelerated private and governmental effort to reestablish our capability for self-sufficiency in energy by 1980. I anticipate that the research and development component of this program will require about \$10 billion in Government funds during its first 5 years; greater amounts may be needed thereafter. These funds will complement an even larger research and development

investment in the private sector, which I will continue to encourage.

Higher prices will be necessary to stimulate development of adequate supplies of fuel through the mechanism of the free market. To assure that this will not result in excess profits for oil producers, I have proposed an emergency windfall profits tax on these producers.

Other elements of my comprehensive national energy policy include:

- reorganization of Federal administrative machinery to deal more effectively with short- and long-term energy needs;
- stringent energy conservation measures and mandatory allocation of petroleum products as long as shortages persist;
- mandatory reporting of oil production, inventories, reserves, and costs;
- modernization of regulations for railroads in order to permit energy savings and other economies;
- policies to accelerate development of domestic oil and gas reserves, including removal of ceilings on wellhead prices for new natural gas, production from the Elk Hills, Calif., Naval Petroleum Reserve, and development by private industry of western oil shale and of off-shore oil and gas deposits;
- measures to permit increased use of our vast coal reserves, including environmental safeguards for surface mining, conversion of oil-fired electric powerplants to coal, improvement of mining techniques, and accelerated efforts to develop technology for coal gasification, coal liquefaction, advanced combustion systems, and pollution control;
- development of fast breeder nuclear reactors, which will greatly increase the amount of energy recoverable from our nuclear fuel resources;
- more timely approval of sites for energy facilities and accelerated construction of nuclear powerplants; and
- increased research on advanced energy sources, including fusion power, and geothermal and solar energy.

The budget provides for \$1.5 billion in outlays for direct energy research and development programs in 1975, compared to \$942 million in 1974. An additional \$128 million in outlays is provided in 1975 for complementary basic research and for environmental and health effects research. I will submit additional details on this accelerated effort to the Congress shortly.

The Federal Government alone cannot overcome the energy crisis. Project Independence will require a maximum effort by private industry as well. The measures proposed in this budget provide the essential governmental leadership to get this joint public and private program underway. In addition, every American household and every American business must economize on energy usage if we are to share temporary shortages equitably, as we must, and reestablish our energy independence in the long run.

The energy crisis has brought to the fore the need for a realistic balancing of the demands of economic growth and the demands of environmental protec-

tion. Shortages of "clean" fuels will mean that some temporary variances from air quality plans will be necessary to meet high priority energy needs. The progress we have made in pollution control in recent years, however, along with reductions in energy consumption, should insure that overall air quality will continue to improve.

The adverse impact of energy shortages on the economy could be aggravated by shortages of other raw materials. A comprehensive study on supplies of metal ores and other basic resources and our needs for them is now underway. This study will help insure that our policies properly anticipate potential problems.

We must also do everything we can to avoid a shortage of agricultural commodities such as we experienced last year. For many years this country enjoyed abundant agricultural production. This abundance not only met domestic needs, but aided greatly in alleviating hunger and malnutrition abroad. In 1972, however, adverse conditions throughout much of the world created widespread agricultural shortages. Food costs began to spiral, both here and abroad.

My Administration made a number of important program changes in 1973 to bring more farm land into production and to increase farm output. These steps, combined with favorable weather conditions, made 1973 a record crop year; farm income reached an all-time high level. Agricultural income now depends more upon the private market, and less upon the Government, than has been the case for over 3 decades. In 1973, direct Government payments to farmers experienced their largest dollar decline in history.

HELPING PEOPLE THROUGH STATE AND LOCAL GOVERNMENTS

Ours is a federal system of government. Our Constitution, now nearly two centuries old, provides for a logical division of responsibilities among:

- a strong national government, concerned with essential national needs;
- State and local governments close to, and responsive to, the needs of individuals and local communities; and
- private citizens endowed with civil liberties that are secure from governmental encroachment.

During the first century and a half of our national experience, State and local governments were able to meet community and State needs from their own revenue sources. They were financially independent of the Federal Government. During the past 40 years, however, the needs of State and local governments have outstripped their resources. The Federal Government has therefore come to play a larger and larger role in financing their day-to-day operations. In the 4 years between 1969 and 1973, Federal grants to States and localities doubled. In 1973 this financial aid, disbursed through literally hundreds of separate programs, provided more than 20% of total State and local revenues.

Unfortunately, these Federal programs have all too often been accompanied by regulations and restrictions which have stifled innovation and initiative on the part of State and local officials, severely limiting the ability of those officials most

familiar with problems at the local level to respond to local needs.

In response to this problem I have applied a philosophy of government that has come to be known as the New Federalism. It calls for each level of government to focus its attention on the functions most appropriate to that level. By strengthening the resources and responsibilities of State and local governments, it permits their policies and programs to reflect local needs more sensitively.

Broader sharing of Federal revenues with State and local governments is helping to make this philosophy a reality. Under the General Revenue Sharing program, now in its second year, State and local governments receive over \$6 billion a year for use in meeting State and local needs as they see them.

This Administration has also sought to substitute broad-based formula grants for narrow categorical grant programs, giving State and local governments significant discretion as to how funds are used and insuring that Federal aid is more equitably distributed among recipients. These principles now apply to several major areas of Federal assistance.

The *Law Enforcement Assistance* program has demonstrated the feasibility of broad-based formula grants. Aid under this program is being increased from \$28 million in 1969 to \$747 million in 1975 and is helping to make the streets of America safer.

The *Comprehensive Employment and Training Act* which I signed in December extends these same grant principles to manpower programs. Under this Act, the Federal Government will no longer specify the types, methods, and proportions of various manpower services to be provided. Instead, State and local governments will be able to use the funds allocated to them to provide the mix of services which they decide best meets the needs of their areas. The budget provides for \$2 billion in outlays for this program in 1975.

New authorities under the *Rural Development Act* are being implemented this year in a manner which is supportive of State and local development plans and priorities.

I urge congressional action to achieve similar reform in additional areas this year:

The principles embodied in the *Education Grants Consolidation and Reform* I proposed last year deserve priority attention. State and local education agencies should have greater freedom to direct Federal assistance toward meeting what they view as high priority local needs. I will continue to work with the Congress, therefore, on legislation to consolidate and improve education grant programs.

The *Better Communities Act* would replace several ineffective grant and loan programs with a more streamlined approach to the problems of urban areas. This act would allow localities to decide for themselves how to allocate community development funds. The budget proposes funding for this program of \$2.3 billion in 1975.

The *Unified Transportation Assistance Program* I am proposing this year would provide \$2.3 billion in highway and mass transit funds, and permit States and lo-

calities to allocate these grant funds flexibly, in accordance with local conditions and priorities. Since transportation is a major consumer of energy and is strongly affected by the energy crisis, high priority must be given to enabling States and localities to make decisions on transportation systems based on their assessment of economy, energy conservation, environmental impact, and safety considerations.

I am proposing legislation for a new *Economic Adjustment Assistance* program. This legislation would permit States and communities to respond flexibly to problems of economic change and unemployment.

Another central feature of the New Federalism is strengthening the ability of State and local governments to perform effectively. The *Responsive Governments Act* would broaden Federal assistance available for improving State and local planning, decisionmaking, and management capabilities.

I urge the earliest possible enactment of all these measures.

In parallel with these legislative initiatives, my Administration is continuing its efforts to consolidate and streamline categorical grant programs, to simplify complex and burdensome procedures, and to remove unnecessary, inflexible program restrictions.

As part of this same effort, Federal programs are being decentralized along uniform regional lines, and the Federal Regional Councils are being strengthened to facilitate coordination of Federal with State and local activities at the operating level.

The budget accelerates our programs for aiding State and local governments in improving water quality. The Environmental Protection Agency has allotted \$4 billion to the States for 1975 to make grants for municipal sewage treatment plants, a \$1 billion increase over the allotment for 1974. Priorities for grants within these allotments will be determined by the States. A total of \$6.9 billion was made available for this program in 1973 and 1974, more than twice the amount made available in the preceding 2 years.

STRENGTHENING THE ROLE OF THE INDIVIDUAL
Abraham Lincoln believed that:

The legitimate object of Government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot do so well, for themselves, in their separate and individual capacities. *In all that the people can individually do as well for themselves, government ought not to interfere.*

I share this belief. This philosophy underlies the efforts of my Administration to strengthen the role of the individual in American society. It is a cornerstone of the New Federalism.

I believe that government policy should seek to maintain an economic environment in which all who are able to work can find employment and adequate earnings. For those unable to support themselves, government should help to provide the means necessary to meet personal and family needs, while preserving individual dignity and self-respect.

My Administration has consistently endeavored to strengthen the role of the individual in American society and to

ensure that all Americans enjoy equality of opportunity in education, in employment, in business, and in housing. We have consistently worked to improve assistance for the retired, the disabled, and the unemployed.

Reflecting these concerns, Federal human resource programs have grown dramatically. Between 1969 and 1975, outlays for these programs will have increased by 139%, while outlays for all other programs will have risen only 26%.

The national health insurance plan I am proposing represents another major step toward improving the lives of individual Americans. My proposal calls for basic reform in the financing of medical care. It would bring comprehensive insurance protection against medical expenses within reach of all Americans, including millions of people who cannot now obtain adequate insurance coverage. Costs of coverage for low-income families would be federally supported, with payments scaled according to family income.

It will take several years for this reform to become fully operational. In the interim, the 1975 budget provides \$26.3 billion for existing health programs. Under this budget, the momentum of cancer, heart, and other research initiatives would be sustained, and total funding for biomedical research would exceed \$2 billion in 1975, almost double the 1969 level. To support continued reform of our medical care system, the budget proposes a total of \$125 million in 1974 and 1975 to demonstrate health maintenance organization concepts throughout the Nation. I am also proposing a Health Resources Planning Act to enhance State and regional capabilities and responsibilities for planning and regulating health services.

The rapid growth of human resource programs in recent years has brought about many improvements in the well-being of the American people. Higher social security benefits and extension of the Medicare program, for example, have increased the economic security of the elderly and the disabled. Cash benefits under social security programs will rise from \$26.2 billion in 1969 to \$62.9 billion in 1975. They now reach 29 million beneficiaries. Five social security benefit increases have been enacted since 1969. Taken together, these increases total nearly 70%, far exceeding the increases in the cost of living, and in average wages, over this period. I continue to urge enactment of legislation to reform private pension plans, legislation which would further strengthen the economic security of millions of Americans in their retirement years.

The Supplemental Security Income program began operation on January 1, 1974, replacing the various State public assistance programs for the aged, the blind, and the disabled with a more uniform and equitable national system. This broad reform provides higher benefits for these disadvantaged groups. In addition, Federal assumption of responsibility for these programs will provide substantial fiscal relief to State and local governments.

Also during the past month, food stamp benefits have been increased by

over 20%, and the program has been extended to those parts of the country where it was not available before. Outlays for food stamps will be \$3.9 billion in 1975, 78% higher than the 1973 level.

I propose further measures to improve the income security of Americans, including:

- reform of pensions for veterans and their dependents, with provisions for automatic cost-of-living adjustments in benefits, and better matching of pensions to family need;
- an increase in education benefits for veterans to help meet cost increases since these benefits were last raised;
- automatic cost-of-living increases for the aged, blind, and disabled beneficiaries of the Supplemental Security Income program;
- transfer of food stamps and related nutrition programs to the Department of Health, Education, and Welfare, to improve coordination of income maintenance programs; and
- continued priority efforts to develop a practical program of direct cash assistance for housing.

One of the major unfinished pieces of business of my Administration is the replacement of the current welfare system with a new system that works. Figures collected over the past year are grim testimony to the fact that our current welfare system is a mess; these figures show that fully 40% of the payments made are incorrect. I intend to make new proposals to solve this continuing problem.

As we begin this effort, I hope that the debate can focus on the substance of the issues, not on superficial labels. I believe that the majority of the American people agree on the principles that should guide Federal income assistance:

- the system should provide strong work incentives for those able to help themselves;
- income assistance should be provided in cash, rather than in kind, so that families can make their own spending decisions;
- the system should be as simple as possible, replacing the chaotic rules and overlapping programs that we have now;
- the levels of support should reflect the compassionate spirit of the American people toward those who cannot provide for themselves; and
- Federal aid should be provided on an equitable basis nationwide. I believe that the Administration and the Congress, working together, can and must find a solution that accords with these principles.

IMPROVING MANAGEMENT IN THE FEDERAL GOVERNMENT

The recommendations contained in this budget are part of a broad effort by my Administration, working with the Congress and with State and local officials, to improve public services at all levels. The New Federalism is a crucial element of this broad endeavor. A second, complementary element consists of improving the efficiency and effectiveness of Federal programs in carrying out Federal responsibilities.

Concern for meeting problems must extend beyond the well-intended com-

mitment of public funds. What really matters are the tangible results produced through the effective use of these funds—results measured in terms of better lives for all Americans.

Since I assumed office as President, I have encouraged extensive efforts to streamline and revitalize the organization and management of the Federal Government. These efforts are helping to ensure that the taxpayers get their money's worth from the Government.

To enable the Federal Government to meet emerging challenges more effectively, several new organizations have been created during my Administration, and existing ones have been improved. Among these new offices are Action, the Environmental Protection Agency, the Council on Environmental Quality, the National Oceanic and Atmospheric Administration, the Domestic Council, the Office of Management and Budget, the Drug Enforcement Administration, the Consumer Product Safety Commission, the Council on International Economic Policy, and the Federal Energy Office.

In 1971 I proposed creation of four new departments, including a department to be responsible for energy and natural resources. I continue to urge congressional approval of this proposal as revised in legislation submitted last year. In addition, I ask the Congress to join me in renewing consideration of other departmental reorganization legislation that will permit more effective management of the Government.

During the past 25 years, Presidents have been able to make many improvements in Government organization under Presidential Reorganization Plan Authority. This legislation has now expired. I urge the Congress to restore this authority as soon as possible in order to facilitate continued modernization of our governmental structure.

Good organization is only a first step toward improving governmental performance. Government can be effective only if the public service can develop and retain capable leadership. In response to this need, this Administration has placed high priority on the identification and development of the most able career managers. We intend to intensify this effort.

Increasing the effectiveness of individual programs is another essential step in improving overall governmental performance. During the past year I have launched an intensive effort to strengthen the management of major Federal activities. The emphasis in this management initiative is not on producing a great display of activity, nor on merely rearranging work processes; the emphasis is on producing significant results. To help keep a constant focus on program results, I have asked each major department and agency to work with me in developing a set of specific objectives to be achieved during fiscal year 1974. As we approach 1975, we will identify further objectives. Currently, we are working toward more than 200 such objectives, ranging from international monetary reform to improvement of opportunities for minorities and women.

These objectives will not simply be identified and then filed away and forgotten. Specific results are to be achieved

by specific deadlines. These commitments will be reviewed continually and will guide day-to-day operations until the objectives are met.

Congressional procedures, too, are in need of reform—particularly those that deal with the budget. In my last three budget messages I encouraged the Congress to reform its procedures for considering the budget. I noted that the Congress faced a fundamental problem because it lacks a system for relating each individual spending decision—whether or not it is part of the appropriation process—to overall budget totals. The need for a more systematic congressional process was once again illustrated during the session just concluded. Congressional actions, taken together, increased spending totals over my proposals by \$3.8 billion in 1974 and by \$8.2 billion in 1975.

The Congress is currently moving toward a new budgetary system. I commend this action and urge that the final procedures worked out by the Congress recognize the necessary and proper role of the President and his responsibility for efficient administration of the executive branch. I am particularly concerned about provisions which would subject some of the most routine financial actions of the executive branch to veto by either house of the Congress.

CONCLUSION

The proposals set forth in this budget are constructive and forward-looking. They meet the Federal Government's responsibility to provide vigorous national leadership toward the solution of major national problems. They do so within the bounds of fiscal prudence.

But the Federal Government cannot do everything. It should not be expected to. Nor can money alone solve all our problems. Recognizing these limitations, my Administration has made an intensive effort to identify and do well those things which the Federal Government should do. By the same token, this budget, like my previous ones, stresses the revitalization of individual initiative and of State and local capabilities. It represents an important further step in my efforts to restore a proper balance of individual and governmental power in America.

RICHARD M. NIXON.
THE WHITE HOUSE, February 4, 1974.

THE PRESIDENT'S BUDGET

THE SPEAKER. Pursuant to the previous unanimous-consent request, the Chair now recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, Congress should in all years and under all circumstances and under all administrations be skeptical of all budgets submitted by the Executive. The Executive proposes, but it is up to Congress to write the laws.

PROVOCATIVE BUDGET PROPOSED FOR FISCAL 1975

Yes, the Congress should challenge the assumptions and recommendations of all budgets. We should always seek ways to reduce and improve the budget, which is always set forth in a voluminous and highly complex document. The President has submitted a provocative budget today. It is now up to Congress to proceed

promptly to examine it. That we must and will do.

I am sure that all thoughtful Americans will be disappointed in the President's budget. No doubt the President is disappointed. He would, of course, have liked to present a balanced budget which would preclude an increase in the national debt. But the budget anticipates an increase in the national debt this year in the sum of \$16.3 billion and the next year in the sum of \$19.8 billion.

CONFUSING TERMINOLOGY

It is fair to say that the most compelling figures in the budget relate to the deficit and the debt increase. It is vitally important for the American people and the Congress to have a clear idea of our deficit situation. It is most unfortunate, then, that the unified budget serves to camouflage the facts and soften what is an alarming message, involving estimated spending for the first time in American history of in excess of \$300 billion, indeed \$304.4 billion. The terminology is confusing.

FEDERAL BORROWING UP BY \$20 BILLION IN FISCAL 1975

The unified budget tells us that the deficit is \$9.4 billion. But the unified budget does not reflect large amounts of borrowing from the trust funds for the general purposes of Government, funds which add to the public debt and which must be repaid with interest.

This budget projects an increase in Federal borrowing of \$19.8 billion for fiscal 1975, pushing our total Federal debt to a level of \$495.2 billion.

ONE-QUARTER OF TOTAL FEDERAL DEBT ACCUMULATED IN LAST 5 YEARS

Judging from recent decades in our fiscal history, it would seem that the firmest resolve of the Government is that we not balance the budget. It is a sobering fact that with the projected increase for fiscal 1975 we will have accumulated about one-quarter of our total Federal debt in the last 5 years.

Apparently we as a nation prefer not to pay our way. We prefer instead to pass onto future generations the increased costs of Government. This practice seems to me to be unkind and unfair, except in cases of greatest urgency. We cannot forever embrace the policy of "Robbing Peter to pay Paul" without at some time paying the consequences. Paying the consequences is what we are doing now.

CONSEQUENCES OF UNCHECKED BORROWING

Can anyone seriously doubt that a series of gigantic Federal deficits over the past several years has had a disastrous impact on the value of the dollar and on the economy? We have just witnessed two—back-to-back—dollar devaluations, and chronic and severe inflation stalks our people relentlessly.

RAISING A FEW QUESTIONS ABOUT THE BUDGET

The budget has just been submitted. Nobody in the legislative branch can pretend to have analyzed these massive documents in depth at this point. This would seem to be an inappropriate time for dogmatic assertions about the recommendations which have been made. I do believe, however, that at the moment we might very usefully raise some pertinent questions about the budget, the answers to which we must later seek to find.

WILL THERE BE A RECESSION?

The President stated emphatically in his state of the Union message that "There will be no recession." The budget and economic messages which he submitted to the Congress, however, were far less sanguine.

It is my view that we are dealing with two very perplexing questions. First, are we facing an imminent recession? And if we are, how should the budget attempt to deal with it? How should the Congress attempt to deal with it?

WHAT ROLE SHOULD BUDGET PLAY?

In our present situation, we suffer a scarcity of basic resources and a lack of substantial additional heavy industrial capacity. It may be that the traditional responses of increased spending or lowered taxes are not the answer. Would heavy reliance on the budget to prop up our economy under the present circumstances aggravate an already bad situation?

DRAMATIC INCREASE IN DEFENSE SPENDING

The most dramatic increase in the budget is for defense. The new budget includes proposals for a \$6 billion increase in fiscal 1974, the current fiscal year, and another \$6 billion in fiscal 1975. Taken together this represents a total recommended increase for defense spending of \$12 billion over the current level provided by the Congress.

PURPOSE OF THE INCREASED DEFENSE BUDGET

These increases for defense will raise valid questions in the minds of the Congress and the country. It will be alleged that the increase for defense spending is only partially for military purposes. It will be alleged that the dramatic increases for the defense budget spring largely from the desire to keep industry humming, to keep people on their jobs. Questions as to the primary purposes of the defense increases will inevitably be raised.

If Congress concludes that the defense increases are based to a considerable extent on economic grounds, it cannot avoid confronting the question of what to do about it. No one takes issue with the goal of keeping people on their jobs, and no one can successfully take issue with the urgent need for maintaining an adequate national defense. These are valid objectives. The question raised is whether there is a more preferable yet equally effective and productive way of creating jobs and keeping the country moving economically and maintaining an adequate defense. Congress must address these questions.

WINDFALL PROFITS TAX ON OIL INDUSTRY

Under a proposal to tax windfall profits on petroleum, revenues of \$3 billion are anticipated to be collected in fiscal 1975. Here again we must remember that one of the driving forces of our current inflationary problems is a scarcity of basic resources.

Obviously we must do everything we reasonably can to encourage industry to expand our energy resources. We must ask then, to what extent a windfall profits tax on oil might dampen incentives to discover new sources of energy and discourage production.

IS THE BUDGET REALISTIC IN TERMS OF THE ECONOMY?

As with all budgets, the budget for fiscal 1975 is subject to the onslaught of unknowns in the world economy, our own economy and nature itself. It seems that this year we face an economic wonderland of greater unknown proportions than in the recent past. The economic impact of the energy crisis cannot be fully known by anyone at this time, assuming or not assuming a resumption of Arab oil shipments to our shores.

It is also true that this budget addresses a fiscal year which concludes some 17 months from now.

We must be aware under these circumstances that while it is important to ask what we must do to cause the budget to impact favorably on the economy, it is also vitally important to ask what the economy is likely to do to the budget.

THE ECONOMY AFFECTS REVENUES

We should remind ourselves that in the past fiscal year in the course of just 4 short months revenue estimates jumped a remarkable \$10 billion—almost all due to inflationary pressures. Part of our problem this year is a possible dip in economic growth. Under these circumstances we cannot ignore the fact that estimated revenues can drop just as well as they can increase.

THE ECONOMY AFFECTS INTEREST COSTS

Another indicator of how the economy can impact on the budget is the increased estimates for interest payments on the public debt for fiscal 1974, the current year. One year ago they were estimated to be \$26.1 billion. In this budget they are estimated to be \$29.1 billion, an increase of \$3 billion—and there are 5 months yet remaining in fiscal 1974.

Clearly the economy does impact heavily on the budget. The economic forecasts in this budget are none too rosy—only a 1 percent real growth rate in the economy is predicted—but even so we must approach them cautiously and raise questions about their accuracy.

IS THE BUDGET REALISTIC IN TERMS OF CONGRESSIONAL PRIORITIES?

Every President has the responsibility to recommend in his budget the termination of or sharp reduction in programs which he regards as marginal.

It must be pointed out that this budget proposes sharp reductions totaling some \$2 billion in many programs which Congress has regarded as urgent in the past and has refused to abandon. Some of these include the Hill-Burton hospital construction program, the regional medical program, aid to land-grant colleges, the impacted school aid program. So the question must be raised: "How realistic is this budget in terms of congressional priorities?"

CONCLUSION

Mr. Speaker, I have not sought to make a definitive statement on the nature of this budget. Rather I have tried to raise some questions that we should keep in mind as we begin to dig into the nitty-gritty of the budget review process that lies before us.

Mr. Speaker, at this point I ask unanimous consent that I may revise and extend my remarks and include extraneous matter and tables.

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

There was no objection.

Mr. MAHON. Mr. Speaker, we recognize that the budget is very voluminous and the fiscal problems are very complex, so under the leave granted to me I shall place in the RECORD extensive information which will be of interest and assistance to all Members of the House and of interest to the American people generally. The Printing Office does a remarkable job in producing the CONGRESSIONAL RECORD overnight, but with extensive insertion of lengthy and complex tables and material, a certain number of printing errors are inevitable.

BUDGET TOTALS

Mr. Speaker, budget outlays for 1975 are estimated at \$304.4 billion and receipts are estimated at \$295 billion, yielding a deficit on the unified basis of \$9.4 billion. The unified budget includes borrowing from surplus trust funds such as social security. This year these borrowings amount to \$8.5 billion, and thus the real deficit is actually \$17.9 billion. It is this latter figure which actually contributes to the real increase in the national debt.

New budget authority is estimated at \$322.1 billion compared to \$310.9 billion in 1974. New budget authority is the barometer of the direction of the spending budget. It is the leading edge that precedes the actual expenditure. About 60 percent of it is provided in appropriation bills and about 40 percent otherwise.

While the increase in new budget authority in fiscal 1975 over 1974 is estimated at \$11.2 billion, I point out that the new budget also contains requests for supplementals, amendments, and allowances of \$14.3 billion for this fiscal year which are included in the 1974 totals in the budget, but which have not yet been acted on by the Congress. So, in these terms the 1975 budget is \$25.5 billion over the level the Congress has provided so far for this fiscal year.

Supplemental requests of this magnitude are as large or larger than the huge supplementals of 1966 and 1967 associ-

ated with the Vietnam buildup. It should be kept in mind that these partial year costs tend to expand the current base and are the springboard for larger programs and greater spending in future years.

Of the \$14.3 billion in 1974 supplemental and related items in the budget, \$6.2 billion is for defense including \$2.8 billion for pay raises. There is another \$800 million for civilian agency pay raises, \$927 million for veterans, \$500 million for food stamps, \$462 million for labor programs, \$292 million for civil service retirement, \$236 million for the Postal Service, \$282 million for housing, and \$184 million for HEW. There is also \$3.3 billion proposed for later transmittal, most of which is for education programs.

GROWTH IN FEDERAL BUDGET

Mr. Speaker, I include a table which shows the growth of outlays in the Federal budget since 1960. It also reflects the deficit on the unified budget basis and on the Federal funds basis. It will be noted that on the unified basis the size of the total deficit is hidden. This is because account is not taken of borrowing from the trust funds.

OUTLAYS, RECEIPTS AND SURPLUSES OR DEFICITS ON THE UNIFIED BUDGET AND FEDERAL FUNDS BASIS, FISCAL YEARS 1960-75
(In millions of dollars)

Fiscal year	Outlays	Receipts	Surplus or deficit unified budget (-)	Surplus or deficit Federal funds (-)
1960	92,223	92,492	269	785
1961	97,795	94,389	-3,406	-4,157
1962	106,813	99,676	-7,137	-6,891
1963	111,311	106,560	-4,751	-6,591
1964	118,584	112,662	-5,922	-8,556
1965	118,430	116,833	-1,596	-3,864
1966	134,652	130,856	-3,796	-5,085
1967	158,254	149,552	-8,702	-14,944
1968	178,833	153,671	-25,161	-28,379
1969	184,548	187,784	3,236	-5,490
1970	196,588	193,743	-2,845	-13,143
1971	211,425	188,392	-23,033	-29,866
1972	231,876	208,649	-23,227	-29,113
1973	246,526	232,225	-14,301	-25,046
1974 (est.)	274,660	270,000	-4,660	-18,133
1975 (est.)	304,445	295,000	-9,445	-17,878

Source: Budget documents.

ESTIMATED EFFECT ON TAX LIABILITIES OF TAX ACTIONS SINCE 1962, EXCLUDING TRUST FUND TAXES

(In billions)

	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Revenue Act of 1962	-\$1.0	-\$0.6	-\$0.8	-\$1.3	-\$1.6	-\$1.7	-\$2.0	-\$2.2	-\$2.4	-\$2.4	-\$2.7	-\$3.2	-\$3.6
Revenue Act, of 1964			-8.3	-15.2	-16.6	-17.5	-18.9	-19.9	-20.4	-22.0	-24.8	-27.9	-30.2
Excise Tax Reduction Act of 1965 (excluding reductions later rescinded)				-9	-2.8	-2.8	-3.0	-3.1	-3.2	-3.4	-3.5	-3.6	-3.7
Revenue and Expenditure Control Act of 1968 (including extensions)							+8.6	+11.2					
Tax Reform Act of 1969								+9	+5.0	-1.0	-3.7	-5.8	-5.7
Revenue Act of 1971										-3.5	-9.2	-7.2	-7.6
Proposed legislation in fiscal year 1975 budget													+2.3
Other actions	-1.2	-1.0	-9	-8	-8	-7	-7	-7	-8	-8	-1.9	-2.5	-3.0
Grand total	-2.2	-1.6	-10.0	-18.2	-21.8	-22.7	-16.0	-13.8	-21.8	-33.1	-45.8	-50.2	-51.5

DEFICITS, DEBT, RED INK

Mr. Speaker, increasingly through the years I have risen in the House to call to the attention of my colleagues and the country our propensity to spend beyond revenues in hand or in sight. The Congress and the President under administrations of both parties have gone hand in hand down the road of deficit spending. The budget transmitted to

Congress today propels us further on this journey.

To what extent has deficit spending contributed to the painful inflationary problems we are experiencing? To what extent has it contributed to the fact that we have twice in a 2-year period been forced to devalue the dollar? Certainly, our unwillingness to live within our means has been an important factor.

RECEIPTS

Receipts in 1975 are estimated at \$295 billion, an increase of \$25 billion over 1974 and \$63 billion over 1973. The increase between 1973 and 1974 is estimated at \$38 billion. In this connection the proposition should be kept in mind that in the short run, inflation tends to increase receipts more than it increases outlays.

The estimates are based on a gross national product for calendar 1974 of \$1,390 billion, a figure which I understand is about in the middle of the various studies made by leading economists in the country.

Of the estimated net increase in revenue of \$25 billion, \$19.8 billion is attributable to tax rates and structures in effect on January 1, 1972. Another \$5.2 billion of the increase is associated with recently enacted rate and taxable earnings base increases in the social security program.

Included in the 1975 revenue estimate is \$3 billion for the proposed windfall profits tax to which I made reference earlier. The budget indicates legislation will also be proposed in the area of tax reform and liberalized deductions for individual contributions to pension plans which will have the net effect of reducing revenues in fiscal 1975 by \$1 billion and \$900 million, respectively.

Questions will be raised as to the validity of the revenue estimates. If the economy falters below the assumptions in the budget, personal income and corporate profits might not achieve expectations and the estimated revenues might not be forthcoming.

TAX REDUCTIONS

Further, if it appears that the economy is stagnating we will hear the usual recommendations for tax cuts. Indeed, they are already being heard. The Congress since 1962 has taken actions which have the effect of reducing revenues to the general fund of the Treasury 1974 by \$51 billion assuming that the economy would have behaved like it has.

Mr. Speaker, I include a table which shows the effect of tax legislation since 1962:

Obviously, the \$100 billion-plus of Federal deficit spending of the last 4 years has contributed heavily to inflation and higher interest rates.

At this point, Mr. Speaker, I include a table which shows that today's budget is estimated to increase the national debt by \$20 billion. It shows that the debt in 1970 was \$373 billion and will have increased by about \$122 billion or

one-third, by the end of fiscal year 1975—5 short years:

Debt subject to statutory limitation at end of fiscal years 1933-75

[In billions of dollars]	
1933	22.5
1938	36.9
1939	40.3
1940	43.2
1941	49.5
1942	74.2
1943	140.5
1944	208.1
1945	268.7
1946	268.9
1947	257.5
1948	251.5
1949	252.0
1950	256.7
1951	254.6
1952	258.5
1953	265.5
1954	270.8
1955	273.9
1956	272.4
1957	270.2
1958	276.0
1959	284.4
1960	286.1
1961	288.9
1962	298.2
1963	306.1
1964	312.2
1965	317.6
1966	320.1
1967	326.5
1968	350.7
1969	356.9
1970	373.4
1971	399.5
1972	428.6

1973	459.1
1974 (est.)	475.4
1975 (est.)	495.2

House Committee on Appropriations.

Sources: Annual Report of the Secretary of the Treasury on the State of Finances (Table 21) and Budget Documents.

UNIFIED BUDGET TENDS TO MASK FEDERAL BORROWING REQUIREMENTS

As recently as several months ago we saw encouraging reports that the budget for this year was in balance. A razor-thin surplus was advertised.

That thin margin has now disappeared and today's budget projects a deficit of \$4.7 billion on the unified basis for the current fiscal year ending June 30, 1974.

The point I wish to make again, Mr. Speaker, is that the unified budget tends to mask the enormity of our borrowing requirements, as well as our national debt. The Federal funds deficit for this year is now estimated at \$18.1 billion and at \$17.9 billion in 1975. The Federal debt is estimated to increase by about \$36 billion in this 2-year period.

As Members know, the budget is submitted on the so-called unified basis. Under this system surpluses in the trust funds are used to partially offset the enormous deficits in Federal funds. These surpluses are borrowed and used for general Federal expenditures, and eventually, of course, are to be repaid with interest. Borrowings from the trust funds to finance the Government in fiscal year 1974 are now estimated to be

about \$13.5 billion. Borrowings from the trust funds for fiscal year 1975, which will begin July 1, are estimated to be \$8.4 billion.

How long can we count on these trust funds to help finance the debt? Will the full extent of borrowing tend to be shifted to the private money markets, thus putting additional pressure on interest rates? After all, these borrowings must eventually be repaid and with interest.

Mr. Speaker, I include two tables. One indicates the trust fund surplus which is used to help finance the increased debt. The other reflects outlays, receipts, and deficits since 1960 on the unified budget basis and on the Federal funds basis:

TRUST FUND SURPLUSES		
(In millions of dollars)		
Description of trust funds	1974	1975
Federal old-age, survivors, and disability insurance	3,086	1,178
Health insurance	3,297	2,523
State and local government fiscal assistance	-92	31
Unemployment	1,060	-410
Railroad retirement	-84	15
Federal employees retirement	3,237	2,781
Airport and Airway	279	-186
Highways	1,679	1,115
Foreign military sales	161	1,450
Veterans life insurance	172	179
Other trust funds (nonrevolving)	-83	-59
Trust revolving funds	763	815
Total	13,473	8,433

OUTLAYS, RECEIPTS AND SURPLUSES OR DEFICITS IN FEDERAL FUNDS, TRUST FUNDS, AND THE UNIFIED BUDGET, FISCAL YEARS 1960-75

Fiscal year	Federal funds			Trust funds			Intragovernmental transactions	Unified budget		
	Outlays	Receipts	Surplus or deficit (-)	Outlays	Receipts	Surplus or deficit (-)		Outlays	Receipts	Surplus or deficit (-)
960	74,865	75,650	785	19,743	19,228	-515	-2,385	92,223	92,492	269
961	79,336	75,179	-4,157	21,048	21,800	752	-2,589	97,795	94,389	-3,406
962	86,594	79,703	-6,891	22,898	22,652	-246	-2,680	106,813	99,676	-7,137
963	90,141	83,550	-6,591	23,958	25,799	1,841	-2,788	111,311	106,560	-4,751
964	95,761	87,205	-8,556	25,884	28,518	2,634	-3,061	118,584	112,662	-5,922
965	94,807	90,943	-3,864	26,952	29,230	2,278	-3,359	118,430	116,833	-1,596
966	106,512	101,427	-5,085	31,708	32,997	1,289	-3,568	134,652	130,856	-3,796
967	126,779	111,835	-14,944	36,693	42,935	6,242	-5,218	158,254	149,552	-8,702
968	143,105	114,726	-28,379	41,499	44,716	3,217	-7,571	178,833	153,671	-25,161
969	148,811	143,321	-5,490	43,284	52,009	8,725	-8,778	184,548	187,784	3,235
970	156,301	143,158	-13,143	49,085	59,362	10,277	-11,586	196,588	193,743	-2,845
971	163,651	133,785	-29,866	59,361	66,193	6,832	-13,156	211,425	188,392	-23,033
972	177,959	148,846	-29,113	67,073	72,959	5,886	-21,325	231,876	208,649	-23,227
973	186,403	161,357	-25,046	81,447	92,193	10,746	-21,129	246,526	232,225	-14,301
974 (est.)	203,715	185,581	-18,133	92,075	105,548	13,473	-21,129	274,660	270,000	-4,660
975 (est.)	220,636	202,757	-17,878	107,385	115,818	8,433	-23,575	304,445	295,000	-9,445

Source: Budget Documents.

THE INCREASINGLY UNCONTROLLABLE NATURE OF THE FEDERAL BUDGET

Mr. Speaker, it is a shocking fact that 73 percent of the new budget before us is "uncontrollable" under existing law. By this I mean that decisions and actions of past years by both the Congress and the President have—unless we change existing law—taken away our discretionary authority to have any meaningful input of 73 percent of what is proposed in the budget.

This amount is made up in large part of the income transfer and related programs and interest on the national debt. In other words, these are the programs

that would require drastic changes in the basic authorizing legislation before reductions could be made in the spending levels.

Examples of such programs are social security, medicaid, and medicare, veterans benefits, interest, general revenue sharing, food stamps, farm price supports, housing payments, and the Postal Service.

Certain proposals are also contained in this budget, such as national health insurance and various special revenue-sharing plans, which would further reduce the ability of the Congress and the President to control the Federal budget.

If we wish to be able to exercise some control over the economy through the Federal budget, we simply must refrain from increasing the uncontrollable portions of the budget. Otherwise we will find ourselves cast in concrete, and simply unable to deal effectively with the fiscal problems confronting the Nation.

At this point I would like to insert in the Record a table which shows the growing uncontrollable nature of the Federal budget. In 1967 "uncontrollables" accounted for \$93.8 billion or 59 percent of the budget; in 1975 that figure has grown to \$223.6 billion or 73 percent of the total budget.

CONTROLLABILITY OF BUDGET OUTLAYS, 1967-75

[Fiscal years; in billions]

	1967 actual	1968 actual	1969 actual	1970 actual	1971 actual	1972 actual	1973 actual	1974 estimated	1975 estimated
Relatively uncontrollable under present law:									
Amount.....	\$93.8	\$107.2	\$116.4	\$125.7	\$140.4	\$153.5	\$172.9	\$197.1	\$223.6
Percent.....	59	60	63	64	66	66	70	72	73
Relatively controllable:									
Amount.....	\$66.1	\$73.5	\$70.1	\$73.3	\$73.7	\$81.1	\$76.5	\$81.0	\$84.4
Percent.....	42	41	38	37	35	35	31	29	28
Relatively controllable civilian programs:									
Amount.....	(\$19.5)	(\$20.2)	(\$17.0)	(\$20.9)	(\$21.5)	(\$27.1)	(\$23.2)	(\$26.5)	(\$25.9)
Percent.....	(12)	(11)	(9)	(11)	(10)	(12)	(9)	(10)	(9)
Undistributed employer share, employee retirement:									
Amount.....	-\$1.7	-\$1.8	-\$2.0	-\$2.4	-\$2.6	-\$2.8	-\$2.9	-\$3.5	-\$3.6
Percent.....	-1	-1	-1	-1	-1	-1	-1	-1	-1
Total outlays.....	\$158.3	\$178.8	\$184.5	\$196.6	\$211.4	\$231.9	\$246.5	\$274.7	\$304.4

Source: Budget Documents, House Committee on Appropriations.

LEGISLATIVE BUDGET CONTROL

Mr. Speaker, today I have made reference to our mushrooming debt, to the uncontrollability of the budget in the short run and have raised questions about the budget. I do not mean to be critical. The budget this year is largely the outcome of decisions made in the past. The decisions we make this year, while perhaps not impacting significantly on current outlays, will heavily influence budgets for many years to come.

I think it is fair to say that the Congress has been frustrated by its inability to get a handle on the budget and to hold the reins on expenditure and revenue totals.

In December of last year the House took a giant step forward by the passing of the budget control bill. While it is not perfect in every respect, it goes a long way toward the objective of creating a workable mechanism for legislative budget control. A Senate bill is now being readied for consideration.

The House bill, in my judgment, contains three essential ingredients. First, it closes to a large extent the back door of the Treasury. Second, it provides a vehicle for relating spending to taxes. Third, it includes a provision to improve the timeliness of the appropriations business by establishing a cutoff date for authorizing legislation.

DELAYS IN AUTHORIZATIONS

I believe that most serious students of the appropriations process will identify delays in the availability of authorizing legislation as the single largest factor in the lack of timeliness in the appropriation process. It is impossible to accurately measure the waste that occurs in the administration of the hundreds of Federal programs by virtue of uncertainty. Continuing resolutions have suffered the abuse of having to carry legislative intent for large portions of the Government for long periods of time.

Some improvement in the timetable can be expected under the recently passed bill. The fiscal year is extended by 3 months allowing the Congress more time for consideration of the budget. Authorizations are required to be enacted by April 1. In my opinion and in the opinion of many others, it would have been desirable to have authorizations enacted sufficiently early to provide legislative guidance to the executive branch in submitting its budget to the Congress.

This is really the manner in which Congress can improve its impact on priority questions in the Federal structure. I urge, Mr. Speaker, that the date for authorization bills not be allowed to slip.

Last year, House consolidation of 10 of the 13 regular appropriation bills was affected to varying extents by the lack of legislative authorization. We were able to pass 9 of the 13 bills by June 30, but we were forced to go to the Rules Committee in order to waive points of order due to the lack of legislative authorization on eight occasions.

Three bills—defense, military construction, and foreign aid—could not be brought forward until near the end of the session because of authorization problems.

Mr. Speaker, I include a listing of authorizing bills arranged by appropriation bill which shows the date of final enactment and tends to spotlight the extent of the authorization problem:

ITEMS IN THE FISCAL YEAR 1974 BUDGET REQUIRING AUTHORIZING LEGISLATION PRIOR TO ENACTMENT OF APPROPRIATIONS

AUTHORIZATION REQUEST AND DATE OF ENACTMENT

Agriculture, Environmental and Consumer Protection Appropriation Bill:

Office of Environmental Quality (S. 1379, P.L. 93-36), May 18.

Department of Agriculture:

International programs (S. 1888, P.L. 93-86), August 10.

Food stamp program (S. 1888, P.L. 93-86), August 10.

Rural development (H.R. 8879, S. —).

Environmental Protection Agency:

Clean air (H.R. 5445, P.L. 93-15), April 9.

Solid waste disposal (H.R. 5446, P.L. 93-14), April 9.

Defense Appropriation Bill:

Department of Defense:

Procurement (H.R. 9286, P.L. 93-155), November 16.

Foreign Assistance and Related Agencies Appropriation Bill:

Foreign military assistance (S. 1443, P.L. 93-189), December 17.

Foreign economic assistance (S. 1443, P.L. 93-189), December 17.

U.N. environmental fund (H.R. 6768, P.L. 93-188), December 15.

Action-International programs (Peace Corps) (H.R. 5293, P.L. 93-49), June 25.

Department of State-Migration and refugee assistance (H.R. 7645, P.L. 93-126), October 18.

HUD, Space Science and Related Agencies Appropriation Bill:

Department of Housing and Urban Development-comprehensive planning grants (H.J. Res. 719, P.L. 93-117), October 2.

National Aeronautics and Space Administration (H.R. 7528, P.L. 93-74), July 23.

Veterans Administration—Philippine grants (H.R. —, S. —).

National Science Foundation (H.R. 8510, P.L. 93-96), August 16.

Renegotiation Board (H.R. 7445, P.L. 93-66), July 9.

Interior and Related Agencies Appropriation Bill:

Department of Interior:

Trust Territory of the Pacific Islands (S. 1385, P.L. 93-111), September 21.

National Park Service:

JFK Center (S. 1759, P.L. 93-67), July 10.

Historic preservation (S. 1201, P.L. 93-54), July 1.

Office of Saline Water (S. 1386, P.L. 93-51), July 1.

American Revolution Bicentennial Commission (H.R. 7446, P.L. 93-179), December 11.

Indian Claims Commission (S. 721, P.L. 93-37), May 24.

National Foundation on the Arts and Humanities (S. 795, P.L. 93-133), October 19.

Labor, Health, Education, and Welfare and Related Agencies Appropriation Bill:

Department of Health, Education, and Welfare:

Mental health (S. 1136, P.L. 93-45), June 18.

Health services planning and development (S. 1136, P.L. 93-45), June 18.

Health services delivery (S. 1136, P.L. 93-45), June 18.

Preventive Health (S. 1136, P.L. 93-45), June 18.

National health statistics (S. 1136, P.L. 93-45), June 18.

National Library of Medicine (S. 1136, P.L. 93-45), June 18.

Development disabilities (S. 1136, P.L. 93-45), June 18.

Office of Education (H.R. 69, S. 1539).

Vocational rehabilitation (H.R. 8070, P.L. 93-112), September 26.

Older Americans (S. 50, P.L. 93-29), May 3.

Grants to States for public assistance (repatriated citizens) (H.R. —, S. —).

Department of Labor:

Manpower programs (S. 1559, P.L. 93-203), December 28.

Action—Operating expenses, domestic programs (S. 1148, P.L. 93-113), October 1.

Cabinet Committee on Opportunities for Spanish-Speaking People (H.R. 10397, S. —).

Corporation for Public Broadcasting (S. 1090, P.L. 93-84), August 6.

Military Construction Appropriation bill:

Department of Defense:

Military Construction (S. 2408, P.L. 93-166), November 29.

Public Works and Atomic Energy Appropriation Bill:

Department of Defense—Corps of Engineers:

Construction—general (H.R. 10203, S. 606, S. 2798).

Flood control (H.R. 10203, S. 606, S. 2798).

Atomic Energy Commission (S. 1994, P.L. 93-60), July 6.
 Water Resources Council (S. 1501, P.L. 93-55), July 1.
 State, Justice, Commerce, the Judiciary and Related Agencies Appropriation Bill:
 Department of Commerce:
 Minority business (H.R. —, S. —).
 U.S. Travel Service (S. 1747, P.L. 93-193), December 9.
 Sea grant program (NOAA) (H.R. 5452, P.L. 93-73), July 10.
 Maritime Administration (H.R. 7670, P.L. 93-70), July 10.
 Department of Justice:
 Law Enforcement Assistance Administration (H.R. 8152, P.L. 93-83), August 6.
 Department of State:
 Foreign service buildings (H.R. 5610, P.L. 93-47), June 22.
 Other programs (H.R. 7645, P.L. 93-126), October 18.
 International Radio Broadcasting (S. 1914, P.L. 93-129), October 19.
 United States Information Agency (S. 2681, P.L. 93-168), November 29.
 Transportation and Related Agencies Appropriation Bill:
 Department of Transportation:
 Coast Guard (H.R. 5383, P.L. 93-65), July 9.
 Federal Highway Administration: Highway beautification (S. 502, P.L. 93-87), August 13.
 National Highway Traffic Safety Administration:
 Trust fund—Highway Act (S. 502, P.L. 93-87), August 13.
 General fund—National Traffic and Motor Vehicle Safety Act (S. 355, H.R. 5529), . . .
 Federal Railroad Administration:

Railroad safety and research (S. 2120, P.L. 93-90), August 14.
 Amtrak grants (S. 2016, P.L. 93-146), November 3.
 Treasury, Postal Service and General Government Appropriation Bill:
 Council on International Economic Policy (S. 1636, P.L. 93-121), October 4.
 Economic stabilization activities (S. 398, P.L. 93-28), April 30.
 Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped (S. 1413, P.L. 93-76), July 30.

APPROPRIATION BILLS UNDER BUDGET FOR 30 YEARS

Mr. Speaker, I believe it is becoming increasingly recognized that the problem of spending above budget requests does not rest with the appropriation bills. In each of the last 30 years appropriation bills reported by the Appropriations Committee and enacted by the Congress have been below the President's budget. The principal problem in recent years has been "backdoor" and mandatory spending.
 Classified as backdoor spending or "mandatory spending" are payment levels established in basic legislation which constitute a binding obligation on the part of the Federal Government. In these cases, although appropriations are required to finance the program, there is, in fact, little or no discretion in the appropriation process. Public assistance,

black lung benefits, veterans benefit payments, and general blue collar wage board increases are examples of this type of spending commitment. In practice, commitments of this type are as binding in effect as appropriations, since in most cases court action can be obtained to require payment.

Backdoor or mandatory spending in recent years has proved in practice to be more difficult to control than spending through the regular appropriation process. In the last 6 fiscal years, for example, Congress, in its action on appropriation bills, reduced the requests of the administration for new budget authority by approximately \$33 billion. However, during this same 6-year period, Congress approved in legislative bills other than appropriations bills budget authority which exceeded the budget estimates by slightly over \$40 billion.

At this point I would like to insert a table which shows that the actions of the Congress in appropriation bills are below the budget proposals for the last 30 years. I would also refer Members to table 11 in the "Scorekeeping Report" of December 22, 1973, of the Joint Committee on Reduction of Federal Expenditures, which shows the reductions made by the Appropriations Committee and the increases made through mandatory and backdoor spending for the last 6 years:

REGULAR ANNUAL, SUPPLEMENTAL, AND DEFICIENCY APPROPRIATION BILLS, COMPARISON OF ESTIMATES AND AMOUNTS ENACTED

Calendar year	Session of Congress	Estimates	Amounts enacted	(+) or (-)	Calendar year	Session of Congress	Estimates	Amounts enacted	(+) or (-)
1944	78th, 2d	\$63,513,471,020	\$61,257,906,152	-\$2,255,564,868	1959	86th, 1st	\$74,859,472,045	\$72,977,957,952	-\$1,881,514,093
1945	79th, 1st	62,453,310,868	61,042,345,331	-1,410,965,537	1960	86th, 2d	73,845,974,490	73,634,335,992	-211,638,498
1946	79th, 2d	30,051,109,870	28,459,502,172	-1,591,607,698	1961	87th, 1st	91,597,448,053	86,606,487,273	-4,990,960,780
1947	80th, 1st	33,367,507,923	30,130,762,141	-3,236,745,782	1962	87th, 2d	96,803,292,115	92,260,154,659	-4,543,137,456
1948	80th, 2d	35,409,550,523	32,699,846,731	-2,709,703,792	1963	88th, 1st	98,904,155,136	92,432,923,132	-6,471,232,004
1949	81st, 1st	39,545,529,108	37,825,026,214	-1,720,502,894	1964	88th, 2d	98,297,358,556	94,162,918,996	-4,134,439,560
1950	81st, 2d	54,316,658,423	52,427,926,629	-1,888,731,794	1965	89th, 1st	109,448,074,896	107,037,566,896	-2,410,508,000
1951	82d, 1st	96,340,781,110	91,059,713,307	-5,281,067,803	1966	89th, 2d	131,164,926,586	130,281,568,480	-883,358,106
1952	82d, 2d	83,964,877,176	75,355,434,201	-8,609,442,975	1967	90th, 1st	147,804,557,929	141,872,346,664	-5,932,211,265
1953	83d, 1st	66,568,694,353	54,539,342,491	-12,029,351,862	1968	90th, 2d	147,908,612,996	133,339,868,734	-14,568,744,262
1954	83d, 2d	50,257,490,985	47,642,131,205	-2,615,359,780	1969	91st, 1st	142,701,346,215	134,431,463,135	-8,269,883,080
1955	84th, 1st	55,044,333,729	53,124,821,215	-1,919,512,514	1970	91st, 2d	147,765,358,434	144,273,528,504	-3,491,829,930
1956	84th, 2d	60,892,420,237	60,647,917,590	-244,502,647	1971	92d, 1st	167,874,624,937	165,225,661,865	-2,648,963,072
1957	85th, 1st	64,638,110,610	59,589,731,631	-5,048,378,979	1972	92d, 2d	185,431,804,552	178,960,106,864	-6,471,697,688
1958	85th, 2d	73,272,859,573	72,653,476,248	-619,383,325	1973	93d, 1st	176,778,549,255	173,515,852,804	-3,262,696,451

Source: Appropriations estimates, etc., House Committee on Appropriations.

NEW INITIATIVES

Mr. Speaker, several new programs and important changes in old programs are proposed by the President in this budget which will have significant fiscal impact both in 1975 and in later years.
 The largest of these programs, of course, is a proposal for national health insurance. Spending for this program would not begin until fiscal year 1977,

and at that time would cost \$6 billion, according to the President's estimate. However, the decision that is made now on this program will have major impact on the budget in later years. This program, if passed by the Congress, would become another major uncontrollable factor and would further reduce the ability of the Congress and the President to deal effectively with the Federal budget.

Mr. Speaker, at this point in the RECORD I would like to insert a table which shows the major new programs recommended by the President in this budget. I should caution Members that this table by no means shows the total amount of program expansion that is recommended in this budget, but only deals with new programs requiring initial legislative authorization:

BUDGET AUTHORITY FOR LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS, 1974-75

[In millions of dollars]

Department or agency	1974	1975	1976	1977	1978	1979	Explanation
Funds appropriated to the President: International financial institutions.	121	136	546	375	375	375	Contributions to IDA Asian Development Bank, and African Development Fund.
Commerce: Economic adjustment Assistance		(100)	(220)	(350)	(350)	(350)	New program to help States and communities adjust to economic change.
National Bureau of Fire Prevention	4	13	13	13	13	13	Process assistance for fire prevention and control.
Commerce and Labor: Trade Reform Act		220	220	130	20	20	Provides for trade adjustment assistance.
Defense: Naval petroleum reserve	-62	-173	27	24	25	20	Provides for exploration of reserves.
Other legislation	99	242	229	169	111	22	Amounts represent additional costs of All Volunteer Armed Force, reform of retirement pay systems, and flight pay.

Footnotes at end of table.

BUDGET AUTHORITY FOR LEGISLATIVE PROPOSALS FOR MAJOR NEW AND EXPANDED PROGRAMS, 1974-75—Continued

[In millions of dollars]

Department or agency	1974	1975	1976	1977	1978	1979	Explanation
Health, Education, and Welfare:							
Health resources planning		67	67	67	67	67	Provides support for State and local health services planning regulation.
National health insurance				(1)	(1)	(1)	Health insurance coverage nationally.
Consolidated education grants	(2,852)	(2,875)	(2,875)	(2,875)	(2,875)	(2,875)	Provide for reform of elementary, secondary, adult, and vocational education grants.
Supplemental security income			360	750	750	1,450	Provides for automatic cost-of-living adjustments to benefits.
Other legislation	5	55	55	55	40	40	National Health Service scholarships, Allied Services, and 3-year library resources demonstration.
Housing and Urban Development:							
Better Communities Act		(2,300)	(2,300)	(2,300)	(2,300)	(2,300)	Provides for broadcast grants for locally determined community development.
Responsive Governments Act		(110)	(110)	(110)	(110)	(110)	Provides for expanded Federal support for planning and management at State and local levels.
Interior:							
Indian programs	9	34	39	39	39	39	Loans and grants to Indians for resource, economic and human development.
Land use control and mined area protection	1	49	49	40	40	40	
Labor: Unemployment Insurance Reform				215	600	850	Higher maximum benefit levels and extends coverage to farm workers.
State: International Salinity control project, Colorado River		95					Reduction of salinity in waters going to Mexico.
Transportation: Unified transportation assistance program	(?)	(?)	(?)	(?)	(?)	(?)	Grants for highway and mass transit systems.
Environmental Protection Agency	24	32	40	45	45	45	Provides for new programs for toxic substances, hazardous wastes and safe drinking water.
Veterans' Administration:							
Pension system improvements		250	275	318	364	412	More adequate and equitable pensions.
Readjustment benefits		200	194	172	152	135	Increased veterans education benefits.
Other independent agencies: Payments to Legal Services Corporation		72	72	72	72	72	Establishes an independent, nonprofit corporation to provide legal aid to low income individuals.
Allowance for relatively small and unforeseen items	150	250	350	400	450	500	
Total authority	351	1,542	2,536	2,754	3,163	4,100	

¹ This program is still being developed. The estimated cost is \$6,000,000,000.
² Many authorizations for this program have already been enacted.

() Items in parenthesis are not added into the total since the cost of the programs is less than the amount shown due to replacement of existing narrower categorical programs.

CHANGING BUDGET PROJECTIONS

Mr. Speaker, in last year's budget the President estimated that \$288 billion would be spent in 1975. The budget just submitted increases that figure by \$16.4 billion and a 1975 spending level of \$304.4 billion is now proposed.

The biggest area of change is in income

security; this item has increased by \$12.5 billion. Other major increases are \$3.7 billion in estimated interest on the national debt and \$2.2 billion in national defense.

Major overestimates occurred in the areas of agricultural and rural development with \$3.1 billion and natural re-

sources and environment with \$2.5 billion.

Mr. Speaker, at this point I will insert a table that shows the change in estimates in all areas that has occurred since last January in the 1974 and 1975 budget projections:

CHANGES IN BUDGET PROJECTIONS BETWEEN 1974 AND 1975—BUDGET OUTLAYS (BY FUNCTION)

[In billions of dollars]

	1974		1975		Change		1974		1975		Change		
	As estimated in 1974 budget	As estimated in 1975 budget	As estimated in 1974 budget	As estimated in 1975 budget			As estimated in 1974 budget	As estimated in 1975 budget	As estimated in 1974 budget	As estimated in 1975 budget			
National defense	76.0	81.1	80.6	85.5	87.7	2.2	Education and manpower	10.2	10.1	10.8	10.2	11.5	1.3
International affairs and finance	3.0	3.8	3.9	3.8	4.1	.3	Health	18.4	21.7	23.3	25.2	26.3	1.1
Space research and technology	3.3	3.1	3.2	3.2	3.3	.1	Income security	73.1	82.0	85.0	87.6	100.1	12.5
Agriculture and rural development	6.2	5.6	4.0	5.8	2.7	-3.1	Veterans benefits and services	12.0	11.7	13.3	11.9	13.6	1.7
Natural resources and environment	.6	3.7	.6	5.6	3.1	-2.5	Interest	22.8	24.7	27.8	25.4	29.1	3.7
Commerce and transportation	13.1	11.6	13.5	12.4	13.4	1.0	General Government	5.5	6.0	6.8	6.4	6.8	.4
Community development and housing	4.1	4.9	5.4	5.4	5.7	.3	General revenue sharing	6.6	6.0	6.1	6.2	6.2	
							Allowances ¹		1.8	.3	3.3	1.6	-1.7
							Undistributed intragovernmental transactions	-8.4	-9.1	-10.0	-9.9	-10.7	-.8
							Total budget outlays	246.5	268.7	274.7	288.0	304.4	16.4

¹ Allowances for 1975 budget estimate include acceleration of energy research and development programs, civilian agency pay raises and contingencies.

THE 1976 BUDGET ESTIMATE

This year's budget estimates that spending will amount to \$329.4 billion in 1976. This would be an increase of \$25 billion over 1975. However, the budget admits that even this high increase is based on the assumption of full employment. Currently, the outlook for that is

somewhat dim indeed. Let us hope that the margin of understated spending for 1976 is not as great as it was for 1975, or we will truly face budget problems of monumental gravity.

CHANGE IN ESTIMATED SPENDING AND ACTUAL SPENDING

A 20-year look at the President's proposed budgets and what actually occur-

red is also revealing and shows the difficulties and uncertainties which surround the Federal budget process. A table that I will insert at this point generally shows that budget deficits are understated, particularly if due consideration is given to the short-term effects that inflation has in generating unanticipated additional revenue:

VARIATIONS IN ORIGINAL BUDGET PROJECTIONS

[In billions of dollars]

Fiscal year	Budget receipts			Budget expenditures			Surplus or deficit			Fiscal year	Budget receipts			Budget expenditures			Surplus or deficit			
	Estimate	Actual	Swing	Estimate	Actual	Swing	Estimate	Actual	Swing		Estimate	Actual	Swing	Estimate	Actual	Swing	Estimate	Actual	Swing	
Administrative budget:																				
1955	62.5	60.2	-2.3	65.4	64.4	-1.0	-2.9	-4.2	-1.3	1966	94.4	104.7	+10.3	99.7	107.0	+7.3	-5.3	-2.3	+3.1	
1956	59.7	67.8	+8.1	62.5	66.2	+4.1	-2.4	+1.6	+4.0	1967	111.0	115.8	+4.8	112.8	125.7	+12.9	-1.8	-9.9	-8.0	
1957	65.0	70.6	+5.6	64.6	69.0	+4.4	+4	+1.6	+1.2	1968	126.9	114.7	-12.2	135.0	143.1	+8.1	-8.1	-28.4	-20.3	
1958	73.1	68.6	-4.5	71.2	71.4	+2	+1.8	-2.8	-4.6	Unified budget:										
1959	74.0	67.9	-6.1	73.6	80.3	+6.7	+5	-12.4	-12.9	1969	178.1	187.8	+9.7	186.1	184.6	-1.5	-8.0	+3.2	+11.2	
1960	76.4	77.8	+1.4	76.3	76.5	+2	+1	+1.2	+1.1	1970	198.7	193.7	-5.0	195.3	196.6	+1.3	+3.4	-2.8	-6.3	
1961	83.3	77.7	-5.6	79.1	81.5	+2.4	+4.2	-3.9	-8.1	1971	202.1	188.4	-13.7	200.8	211.4	+10.6	+1.3	-23.0	-24.3	
1962	82.3	81.4	-.9	80.9	87.8	+6.9	+1.5	-6.4	-7.9	1972	217.6	208.6	-9.0	229.2	231.9	+2.7	-11.6	-23.2	-11.6	
1963	93.0	86.4	-6.6	92.5	92.6	+1	+5	-6.3	-6.8	1973	220.8	232.2	+11.4	246.3	246.5	+2	-25.5	-14.3	+11.2	
1964	86.9	89.5	+2.6	98.8	97.7	-1.1	-11.9	-8.2	+3.7	1974	estimate...	256.0	270.0	+14.0	268.7	274.4	+6.0	-12.7	-4.7	+8.0
1965	93.0	93.1	+1	97.9	96.5	-1.4	-4.9	-3.4	+1.5	1975	estimate...	295.0			304.4			-9.4		

1 Represents Federal funds portion of unified budget concept totals.

2 Estimate in 1975 budget.

CHANGES IN UNCONTROLLABLE ESTIMATES
 Since the budget is so dominated by "uncontrollable" outlays, the estimates that are made in these categories are particularly important. I am inserting a

table that shows the changes that have occurred between the original estimates and the actual outlay of funds since 1969. In nearly every instance estimates on spending in social security, interest pay-

ments, veterans benefits, and the other major categories are underestimated and result in spending being significantly higher than was projected:

SELECTED "UNCONTROLLABLE" OUTLAYS (ORIGINAL ESTIMATE COMPARED TO ACTUAL, EXCLUDING CONGRESSIONAL ACTION)

[In billions]

	Outlays				Outlays								
	Original estimate	Actual	Change		Original estimate	Actual	Change						
FISCAL YEAR 1969							FISCAL YEAR 1971						
Social insurance trust funds	38.5	39.8	+1.3	Social insurance trust funds	51.5	54.9	+3.4						
Interest	14.4	15.8	+1.4	Interest	17.8	19.6	+1.8						
Veterans benefits	5.2	5.7	+4	Veterans benefits	6.7	7.6	+9						
Public assistance	5.7	6.3	+5	Public assistance	8.5	11.3	+2.8						
Farm price support	2.9	4.1	+1.6	Farm price support	3.7	2.8	-.9						
Postal service	3	5	+2	Postal service	9	2.2	-1.3						
Military retired pay	2.3	2.4	+2	Military retired pay	3.2	3.4	+2						
Housing payments	.3	.4	+1	Housing payments	.6	.7	+1						
	69.6	75.0	+5.4		92.9	102.5	+9.6						
Congressional increases in above categories as scored by Joint Committee			-.3	Congressional increases in above categories as scored by Joint Committee			-1.4						
			+5.1				+8.2						
FISCAL YEAR 1970							FISCAL YEAR 1972						
Social insurance trust funds	42.4	45.2	+2.8	Social insurance trust funds	55.8	61.7	+5.9						
Interest	16.0	18.3	+2.3	Interest	19.7	20.6	+9						
Veterans benefits	5.9	6.6	+7	Veterans benefits	8.4	8.3	-.1						
Public assistance	7.4	8.0	+6	Public assistance	13.4	15.0	+1.6						
Farm price support	3.1	3.8	+7	Farm price support	3.6	4.0	+4						
Postal service	.5	1.5	+1.0	Postal service	1.3	1.8	+5						
Military retired pay	2.7	2.8	+1	Military retired pay	3.7	3.9	+2						
Housing payments	.6	.5	-.1	Housing payments	1.3	1.1	-.2						
	78.6	86.7	+8.1		107.2	116.4	+9.2						
Congressional increases in above categories as scored by Joint Committee			-2.1	Congressional increases in above categories as scored by Joint Committee			-2.3						
			+6.0				+6.9						
FISCAL YEAR 1973							FISCAL YEAR 1974						
Social insurance trust funds	68.1	71.0		Social insurance trust funds	80.4	80.3							
Interest	21.2	22.8		Interest	24.7	26.1							
Veterans benefits	8.7	9.1		Veterans benefits	9.1	9.1							
Public assistance	14.6	14.0		Public assistance	17.0	17.0							
Farm price support	4.3	3.4		Farm price support	2.7	2.7							
Postal service	1.4	1.7		Postal service	1.4	1.4							
Military retired pay	4.3	4.4		Military retired pay	4.7	4.7							
Housing payments	1.8	1.7		Housing payments	2.0	2.0							
	124.4	128.1	+3.7		142.0	143.3	+1.3						
Congressional increases in above categories as scored by the Joint Committee			-2.9	Congressional increases in above categories as scored by the Joint Committee									
			+8										

1 Estimated on basis of June 1 revisions.

Source: Uncontrollable tables Budget Documents.

CHANGES IN THE FEDERAL PRIORITIES

Mr. Speaker, over the past 20 years some profound changes have occurred in the Federal budget. In 1955 national defense spending accounted for over half the budget—58.7 percent—while human

resource programs amounted to barely a fifth of the budget—21.1 percent.

Today, we see before us a budget that proposes human resources spending amounting to 49.8 percent of the total and defense spending amounting to 28.8 percent.

Mr. Speaker, I think it would be useful for Members to take time to look at a table that I will insert at this point that shows the relative changes that have occurred in the distribution of outlays since 1955:

PERCENT DISTRIBUTION OF BUDGET OUTLAYS BY FUNCTION

Function	1955	1960	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974 (est.)	1975 (est.)
National defense	58.7	49.8	41.9	42.2	44.3	45.0	44.0	40.8	36.7	33.8	30.8	29.3	28.8
Human resources	(21.1)	(27.6)	(29.8)	(31.0)	(32.0)	(32.1)	(34.4)	(35.9)	(41.8)	(44.2)	(46.1)	(48.1)	(49.8)
Education and manpower	.8	1.1	1.9	3.2	3.7	3.8	3.5	3.7	3.9	4.2	4.1	3.9	3.8
Health	.4	.8	1.4	1.9	4.2	5.4	6.3	6.6	6.8	7.4	7.5	8.5	8.6
Income security	13.3	19.7	21.7	21.5	19.7	19.1	20.5	22.2	26.5	28.0	29.6	30.9	32.9
Veterans benefits and services	6.6	5.9	4.8	4.4	4.4	3.8	4.1	4.4	4.6	4.6	4.9	4.8	4.5
Physical resources	(8.3)	(10.9)	(12.3)	(11.6)	(10.5)	(11.1)	(10.0)	(10.8)	(10.7)	(11.3)	(9.7)	(8.6)	(8.2)
Agriculture and rural development	5.9	3.6	4.1	2.7	2.8	3.3	3.4	3.2	2.4	3.0	2.5	1.5	.9
Natural resources and environment	.7	1.1	1.7	1.5	1.2	1.0	1.2	1.3	1.3	1.6	.2	.2	1.0
Commerce and transportation	1.6	5.2	6.3	5.4	4.8	4.5	4.3	4.8	5.4	4.9	5.3	4.9	4.4
Community development and housing	(1)	1.1	.2	2.0	1.7	2.3	1.1	1.5	1.6	1.8	1.7	2.0	1.9
General revenue sharing											2.7	2.2	2.0
Interest	8.8	9.0	8.7	8.4	8.0	7.7	8.6	9.3	9.3	8.9	9.3	10.1	9.6
Other	(4.9)	(5.1)	(9.8)	(9.4)	(7.8)	(6.6)	(5.9)	(5.4)	(4.9)	(5.2)	(4.7)	(5.2)	(5.1)
International affairs and finance	3.0	3.3	3.7	3.3	2.9	2.6	2.1	1.8	1.5	1.6	1.2	1.4	1.3
Space research and technology	.1	.4	4.3	4.4	3.4	2.6	2.3	1.9	1.6	1.5	1.3	1.2	1.1
General government	1.7	1.4	1.8	1.7	1.5	1.4	1.5	1.7	1.8	2.1	2.2	2.5	2.2
Allowances ²												.1	.5
Undistributed intragovernmental transactions	-1.8	-2.5	-2.6	-2.5	-2.5	-2.5	-2.8	-3.2	-3.5	-3.4	-3.4	-3.6	-3.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Less than 0.05 percent.

² Includes allowances for acceleration of energy research and development, civilian agency pay raises and contingencies.

ECONOMIC ASSUMPTIONS

Mr. Speaker, whether the economic assumptions made in this budget are too optimistic is a crucial question that Congress must answer.

The prediction made for growth in the gross national product is \$102 billion. This is an increase of 8 percent over 1974, but with only 1 percent in real growth and the rest in inflation. It is further assumed that unemployment will increase

in 1974 to a rate of 5.5 percent from the present rate of 5.2 percent.

Worsening economic conditions, particularly growing unemployment rates, will, of course, significantly add to the difficulties of dealing with this budget.

The hardest hit sector of our economy during this time of inflation is the consumer. The cost of food rose 14.5 percent during 1973. It can only be assumed that shortages in basic commodities and oil

products will cause prices to increase even further.

The basic question which confronts us all is the role of Federal spending in fighting inflation. Is increased Federal spending the way to improve an inflationary situation which is being fanned by shortages in basic resources?

Mr. Speaker, at this point I would like to insert three tables into the RECORD showing changes in GNP, unemployment, and the Consumer Price Index over the past several years:

PERCENTAGE INCREASES IN THE CONSUMER PRICE INDEX

	Commodities					Commodities				
	All items	Commodities	Food	Fuel and utilities ¹	Services	All items	Commodities	Food	Fuel and utilities ¹	Services
1963	1.2	0.9	1.4	0.9	2.0	5.4	4.5	5.1	2.3	6.9
1964	1.3	1.1	1.3	.2	1.9	5.9	4.7	5.5	3.9	8.1
1965	1.7	1.2	2.1	—	2.2	4.3	3.4	3.0	7.0	5.6
1966	2.9	2.6	5.0	.5	3.9	3.3	3.0	4.3	4.4	3.8
1967	2.9	1.8	.9	1.2	4.4	6.2	7.4	14.5	5.7	4.4
1968	4.2	3.7	3.6	1.3	5.2					

¹ This figure is a component of the Housing Index and does not include gasoline.

Note: These figures are seasonally adjusted.

GROWTH IN GNP (ACTUAL AND FORECAST)

	GNP (billions)		Percent growth		Actual growth ¹			GNP (billions)		Percent growth		Actual growth ¹	
	Forecast	Actual	Forecast	Actual	Real	Inflation Factor		Forecast	Actual	Forecast	Actual	Real	Inflation Factor
1964	623	632.4	6.5	7.1	5.4	1.6	1970	985	977.1	5.7	5.0	-0.4	5.5
1965	660	684.9	6.1	8.3	6.3	1.8	1971	1,065	1,055.5	9.0	8.0	3.2	4.7
1966	722	749.9	6.9	9.5	6.5	2.8	1972	1,145	1,155.2	9.5	9.4	6.1	3.2
1967	787	793.9	6.4	5.9	2.6	3.2	1973	1,267	1,288.0	10.0	11.5	5.9	5.3
1968	846	864.2	7.5	8.9	4.7	4.0	1974	(estimates)	1,390		8.0	1.0	7.0
1969	921	930.3	7.0	7.6	2.7	4.8							

¹ Due to the method of calculation the real growth figure and the inflation figure cannot be added to equal the actual percentage of growth. Sources: Economic Report of the President, Department of Commerce, Department of Labor.

UNEMPLOYMENT RATES

	Males					Females						Males					Females				
	Total	Males	Females	16 to 19	20 to 24	25 and over	16 to 19	20 to 24	25 and over	Total		Males	Females	16 to 19	20 to 24	25 and over	16 to 19	20 to 24	25 and over		
1960	5.5	5.4	5.9	15.3	8.9	4.3	13.9	8.3	4.6	1967	3.8	3.1	5.2	12.3	4.6	2.0	13.5	7.0	3.7		
1961	6.7	6.4	7.2	17.1	10.8	5.2	16.3	9.8	5.8	1968	3.6	2.9	4.8	11.6	5.1	1.8	14.0	6.7	3.2		
1962	5.5	5.2	6.2	14.7	8.9	4.1	14.6	9.1	4.8	1969	3.5	2.8	4.7	11.4	5.1	1.7	13.3	6.3	3.2		
1963	5.7	5.2	6.5	17.2	8.8	4.0	17.2	8.9	4.9	1970	4.9	4.4	5.9	15.0	8.4	2.8	15.6	7.9	4.1		
1964	5.2	4.6	6.2	15.8	8.1	3.3	16.6	8.6	4.6	1971	5.9	5.3	6.9	16.6	10.3	3.5	17.2	9.6	4.9		
1965	4.5	4.0	5.5	14.1	6.4	2.8	15.7	7.3	4.0	1972	5.6	4.9	6.6	15.9	9.2	3.1	16.7	9.3	4.6		
1966	3.8	3.2	4.9	11.7	4.6	2.2	14.1	6.3	3.3	1973	4.9	4.1	6.0	13.9	7.3	2.5	15.2	8.9	4.0		

Source: Bureau of Labor Statistics.

CONCLUSION

Mr. Speaker, as I acknowledge, the foregoing material is extensive, but I believe it will prove of some help in providing perspective to those in and out of Congress who undertake the formidable task of examining the budget of the U.S. Government.

The Committee on Appropriations will now begin our detailed review. On February 19, 20, and 21 we will have overview hearings on the budget with Budget Director Ash, Treasury Secretary Shultz, Mr. Stein, Chairman of the Council of Economic Advisers, and Federal Reserve Chairman Burns. The 13 subcommittees will then begin hearings.

We want to move forward in an efficient and vigorous fashion and bring the appropriations bills to the floor in the best possible form as soon as reasonably possible.

Mr. CEDERBERG. Mr. Speaker, I generally support the budget that the President submitted to the Congress today.

The 1975 budget is far more than a financial plan for the Federal Government for the year ahead. It is, above all, a statement of a philosophy of government that emphasizes a stronger role for State and local governments and for individuals in a revitalized Federal system. This emphasis on what has come to be called the New Federalism does not mean that there will be any weakening of the commitment by the Federal Government to meet essential national needs. In fact, three subjects—the economy, defense, and the energy problem—that can be dealt with adequately only on a national basis—receive special attention in the 1975 budget.

The budget proposes a fiscal policy that seeks a balance between keeping the economy on the path to sustained high employment, and assuring a return to more stable prices. The moderate fiscal restraint of the recent past is continued to help hold price increases down, while the flexibility to take additional actions is maintained in the event that they are needed to counter the effects of energy shortages.

Total outlays of just under \$304½ billion are recommended, nearly \$30 billion more than in 1974. This increase is consistent with fiscal objectives of the budget. About 90 percent of this increase consists of mandatory spending that cannot be avoided under current law. The increase in relatively controllable spending amounts to about 4 percent, not even enough to cover the expected rise in pay and prices.

The recent flareup of war in the Middle East proved once more the absolute need for the United States to maintain a continuous state of defense readiness if there is to be any chance of a durable world peace. Substantial, but reasonable, reductions have been made in our defense forces since 1969. These forces cannot be reduced much further without weakening the ability of our diplomats to achieve a secure world peace through negotiation. The budget increases for defense that are proposed for 1974 and 1975 are the minimum prudent amounts needed to assure us of modern, ready forces, to provide for the development of future weapons, and to offset the higher costs of probable pay and price increases.

The budget also focuses intensely on, and reflects the need for, a comprehensive energy program to deal with the current shortages and to move us toward self-sufficiency in energy. The research and development part of this program will require about \$10 billion of Federal resources during its first 5 years to complement an even larger investment by the private sector. The measures proposed in the budget provide the Federal leadership to get this program underway, but they recognize explicitly that the bulk of the effort must come from American producers and consumers.

The 1975 budget reflects the President's efforts over the last 5 years, to strengthen the resources and the responsibilities of the State and local governments and of individual citizens. The philosophy of the New Federalism is being implemented by the adoption of general revenue sharing and the substitution of broad-based formula grants for narrow categorical grants. At one and the same time, State and local governments are being given increasing discretion as to how funds are used, and Federal aid is being distributed more equitably among recipients. Programs that move in this direction have been adopted or are well along in:

- Law enforcement,
- Rural development,
- Manpower training and employment,
- Education,
- Community and area development,
- and
- Transportation.

The intended beneficiaries of the New Federalism are the federal system of government and the American people.

As a corollary, the Federal Government has also strengthened the role of the individual in America during the last 5 years. Between 1969 and 1975, outlays for human resources programs

will have increased by 139 percent, while total outlays will have grown by only 26 percent. Cash or in-kind payments for individuals will have risen even more—by nearly 150 percent. The 1975 budget proposes major new steps in strengthening the well-being of individuals, notably in its proposed reform in the financing of medical care and in the current welfare system, and in its continued support of equal opportunity, civil rights, anticrime, and drug abuse programs.

And, finally, the 1975 budget puts heavy stress on improving public services at all levels, with particular emphasis on improving the efficiency and effectiveness of Federal programs in carrying out Federal responsibilities.

This budget presents a balanced program for the Congress to consider. This is a program that meets America's urgent needs of the years immediately ahead. It deserves prompt support by the Congress.

In this regard, it is important to review just what we did with last year's budget, the 1974 fiscal year budget. This Congress last year increased budget authority requested by the President for fiscal 1974 by \$5,615 million. This resulted in an outlay increase of \$3,526 million for fiscal 1974.

Now, it seems to me that what we are going to have to do is to review this budget within the Congress, not only in the Committee on Appropriations, but in the other legislative committees, because there is where the real outlay impact comes. If Members will look at the actions taken by the members of the Committee on Appropriations, they will find we reduced the budget authority request by over \$3 billion. Our actions would have reduced outlays by \$534 million; but actions by other committees increased 1974 outlays by more than \$3 billion.

In fact, we are not finished with the 1974 budget. We have some supplementals coming up, pay supplementals are an example, that we are going to have to consider in this 1974 budget.

To look at another very practical problem, we find ourselves year after year confronted with a situation where more and more of the money that we deal with in the budget is absolutely uncontrollable.

My indication is that of this \$304 billion budget, only \$84,400 million, or 28 percent, is relatively controllable under the present law.

We are all concerned that we are prevented for the first time with a budget over \$300 billion. I can tell you that OMB

and the President and everyone else did the best they could in their work with the agencies to keep the budget below that figure. They just were not able to do it.

Now, we are going to discuss and express our concerns about the size of this budget; but I predict that after this talk has died down, we will then proceed to see how much we are going to increase it. As I see what happens around the country, our mayors tell us that there is not enough in here, there is not enough for mass transit for our cities, there is not enough for many, many items.

While all of them are increased, the difficulty is, do we know how much is enough?

So as our various subcommittees will be wrestling with the items that are involved here, I predict that we will go down the same course we have over the years, increasing almost all the items that have been requested, except defense. We will reduce defense, which is under the able chairmanship of the gentleman from Texas, to what is prudent and will provide the kind of defense that is necessary in this troubled world.

Mr. Speaker, I do not intend to take any more time on this matter. I am going to insert some tables in the RECORD and a few remarks that I think may be of assistance to Members as we start these next very, very interesting few months, and as I stand here I see some Members of the Committee on Appropriations that are going to be willing to work with us very hard in both increasing and decreasing this budget.

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

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

Mr. PATTEN. Mr. Speaker, would the gentleman from Michigan fix a date when this will be ready?

Mr. CEDERBERG. Mr. Speaker, I am not the chairman of the committee, but I think I can say for the chairman—and he has discussed this with me—it is our desire to get this budget completed as rapidly as we possibly can. We want to get hearings started. We want to take wise actions prudently and as quickly as possible.

Mr. Speaker, I think the chairman would certainly verify that.

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

Mr. CEDERBERG. Mr. Speaker I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's remarks about the fact that it is also the responsibility of the authorizing committee to share, along with the appropriations committee, the task of controlling the budget. But, by constantly passing legislation that is far above our ability to finance, we are failing to meet this responsibility.

I also think the gentleman is correct in saying that this Congress, right here, can stop the spending if it will be inclined to do so. As a matter of fact, prior to the gentleman from Michigan's coming to the floor today, the majority leader took the floor and said that he favors the concept of cutting the budget, which is just fine if he will do it, but I think

the gentleman from Michigan is correct when he says that we get an awful lot of conversation, and then when the appropriations come to the floor there are all kinds of amendments to increase the expenditures. We really do not mean what we say when we talk about budget cutting.

Mr. CEDERBERG. Mr. Speaker, I think probably the statement of the gentleman from California is a correct statement. We are wrestling with the problem of budget control. We passed the budget control act as far as the House was concerned. The matter is over in the Senate and we really do not know what is going to happen there. Whatever does happen in the area of budget control, which is designed for the Congress to get its teeth into these budget matters and to control them, I doubt that it will have any effect on this 1975 budget at all.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield further, I would like to say that all this conversation about saving money in the Federal expenditures while the average taxpayer is putting out 44 cents of every dollar in taxes for local, State, and Federal Government, will mean nothing if we do not actually take concrete action here on the floor or in the committees to cut instead of increase spending.

Mr. CEDERBERG. Mr. Speaker, I do not disagree with the gentleman. I think I can assure him that the appropriations committee will take those kinds of actions. It always has over the years, but we must recognize that there is a large part of this budget over which the Appropriations Committee will have no control whatsoever.

Mr. Speaker, at this point I include certain tables and additional comments which might be of interest to the Members.

BUDGET OVERVIEW

[Dollars in millions]

	Fiscal year 1975 request	Increase over fiscal year 1974
1. Budget totals		
Budget authority.....	\$322,141	+\$11,288, or 3.6 percent.
Obligations incurred.....	312,378	+\$17,481, or 5.9 percent.
Outlays.....	304,445	+\$29,785, or 10.8 percent.

2. BUDGET FINANCING

Outlays of \$304,445 million are financed by:

- \$295,000 million in budget receipts;
- \$12,500 million in net borrowing from the public;
- \$3,055 million in other financing.

This description of budget financing does not account for borrowing from the trust funds, which is estimated to increase by \$8.5 billion in FY 1975.

3. BUDGET DEFICITS

Fiscal 1975	Outlays	Receipts	Surplus or deficit (-)
Federal funds.....	\$220,636	\$202,757	—\$17,878
Trust funds.....	107,385	115,818	8,433
Interfund transactions.....	—23,575	—23,575	—
Budget totals.....	304,445	295,000	—9,445

4. CONTROLLABILITY

Of the \$304,445 million in fiscal 1975 outlays:

Only \$139,792 million, or 46 percent is available through current action by the Congress;

Only \$84,400 million, or 28 percent, is relatively controllable under present law.

PROGRAM PRIORITIES: THE SHORT RUN

In the short run, program priorities must be considered in the context of budgeting "from the top down". Total outlays are established in relation to receipts for fiscal policy purposes, and program priorities are established within the number of absolute dollars available.

Put another way, the President had an additional \$29.8 billion in outlays to spend in fiscal 1975. Here is how he spent it:

[Outlays in billions]

Income security.....	+15.1
National defense.....	+7.1
Health.....	+3.0
Natural resources and environment.....	+2.5
Allowances for pay and contingencies.....	+ .8
Education and manpower.....	+ .7
Other.....	+ .5

Total increases in outlays, 1974-75 +29.7

PROGRAM PRIORITIES: THE LONG VIEW

There is really no basis for the argument that domestic priorities have been neglected, either relative to defense expenditures, or relative to the gross national product.

Consider the following increases in outlays, 1970 to 1975 (in billions of dollars):

- Total outlays plus \$107.8 (54.8 percent).
- National defense plus \$7.4 (4.4 percent).
- Human resources plus \$78.9 (108.7 percent).
- Education and manpower plus \$4.2 (57.5 percent).
- Health plus \$13.4 (103.9 percent).
- Income security plus \$56.4 (129.1 percent).
- Veterans benefits and serv. plus \$4.9 (56.3 percent).
- Physical Resources plus \$3.7 (17.5 percent).
- Interest plus \$10.8 (59.0 percent).
- Other plus \$7.0 (166.7 percent).

As a percentage of total Federal outlays, 1970 compared to 1975:

- National defense outlays have declined from 40.8 to 28.8;
- Human resources outlays have increased from 36.9 to 49.8.

As a percentage of gross national product, 1970 compared to 1975:

- National defense outlays have decreased from 8.4 to 6.0;
- Human resources outlays have increased from 7.8 to 10.4.

DEFENSE VERSUS HUMAN RESOURCES: THE INFLATION PROBLEM

The debate over defense spending vs. spending for human resources is really a non-debate. Human resources spending dominates the budget, and this dominance is increasing. It is important to look at the trends in spending for defense and human resources, and to note the staggering impact which inflation has had on both.

OUTLAYS

[Fiscal years; millions of dollars]

	1968	1975	Change, 1968-75 (percent)
National defense:			
Current dollars.....	80,517	87,729	+7,212 (9.0)
Fiscal 1975 dollars.....	128,184	87,729	-40,455 (-31.6)
Human resources:			
Current dollars.....	57,367	151,502	+94,135 (164.1)
Fiscal 1975 dollars.....	97,728	151,502	+53,774 (55.0)

Accordingly, during the 7 fiscal years since fiscal 1968, inflation has:

In defense spending, converted an apparent increase of \$7.2 billion (9 percent) into a reduction of \$40.5 billion (32 percent);

In human resources spending, converted an apparent increase of \$94.1 billion (164 percent) into a much more modest increase of \$53.8 billion (55 percent).

FEDERAL FUNDS AND TRUST FUNDS

The fiscal 1975 budget continues the substantial deficits in Federal funds. The increased unified budget deficit in fiscal 1975, compared to fiscal 1974, consists of:

1. A comparable deficit in Federal funds: 1974 = -\$18.1 billion. 1975 = -\$17.9 billion.
2. A reduced surplus in the trust funds: 1974 = +\$13.5 billion. 1975 = +\$8.4 billion.

Historically, the deficits look like this:

[In billions of dollars]

	1970	1971	1972	1973	1974	1975
Federal funds	-13.1	-29.9	-29.1	-25.0	-18.1	-17.9
Trust funds	+10.3	+6.8	+5.9	+10.7	+13.5	+8.4
Unified budget	-2.8	-23.0	-23.2	-14.3	-4.6	-9.4

OUTLAYS, FOR FISCAL 1975, ARE PROPOSED AS FOLLOWS

[In billions of dollars]

	Fiscal year 1975 proposed	Increase over 1974
Federal funds	\$220.6	\$16.9 (8.3%)
Trust funds	107.4	15.3 (16.6%)
Interfund transactions	-23.6	-2.4
Unified budget	304.4	29.8 (10.8%)

CONGRESSIONAL ACTION ON THE FISCAL 1974 BUDGET

[In millions of dollars]

Summary	Budget authority	Outlays
Appropriation bills	*-3,020	-534
Legislative bills	*+5,040	+3,332
Shifts due to timing	+3,890	
Inaction	-295	+728
Total action and inaction	+5,615	+3,526

*The Agriculture Appropriations bill for 1974 contained \$300 million over the budget for food stamps. The Scorekeeping Report charged this amount against the legislative bills. Consistent with Appropriations Committee practice, this table charges that amount against the appropriations bills.

Effect on the Deficit

[In millions of dollars]

Original deficit	12.7
Outlay re-estimates not due to congressional action, detailed below. (reduced outlays reduce the deficits)	-1.6
Revenue re-estimates (increased revenues reduce the deficit)	-13.9
Congressional action and inaction on outlays (increased outlays increase the deficit.)	+3.6
Revised deficit	0.7

Detail of outlays re-estimates not due to Congressional action

Interest on the debt	+2.9
Disaster assistance	+6
Budget amendment, assistance to Israel and Cambodia	+6
Other	+7
Offsetting receipts from sales of offshore oil, leases, and stockpile sales	-3.8
Farm price supports	-1.2
Sale of financial assets	-9
Unemployment trust fund	-5

Net budget revisions of outlay estimates -1.6

Source: Scorekeeping Report No. 11 of the Joint Committee on Reduction of Federal Expenditures. Cumulative through December 22, 1973.

CONSENT CALENDAR

The SPEAKER. The Chair desires to announce that there are no bills on the Consent Calendar.

ESTABLISHING THE EGMONT KEY NATIONAL WILDLIFE REFUGE

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8977) to establish in the State of Florida the Egmont Key National Wildlife Refuge, as amended.

The Clerk read as follows:

H.R. 8977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior shall establish the Egmont Key National Wildlife Refuge (hereafter referred to in this Act as the "refuge") as part of the national wildlife refuge system, which shall consist of that area of land and water described in section 2 of this Act.

SEC. 2. The Secretary of the Interior shall designate as the refuge, subject to existing valid rights, the land and water, being approximately two hundred and fifty acres, which are—

(1) generally depicted on the map entitled "Egmont Key National Wildlife Refuge", dated October 1973, and

(2) located within sections 23, 24, 25, and 26 of township 33 south, range 15 east, Tallahassee meridian, but excluding (A) the land therein under the jurisdiction of the United States Coast Guard which lies at the north end of the island north of a line drawn east to west six hundred feet south of the geometric center of the light tower, and (B) the land therein conveyed by the United States to the county of Hillsborough, Florida, by deed dated March 8, 1928,

by publication of a precise description of such land and water in the Federal Register. The map referred to in the preceding sentence shall be on file and available for public inspection in the office of the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

SEC. 3. The Secretary of the Interior shall administer the refuge in accordance with the National Wildlife Refuge System Administration Act of 1966, as amended (80 Stat. 927; 16 U.S.C. 668dd-ee).

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

The SPEAKER. Is a second demanded? Mr. GOODLING. Mr. Speaker, I demand a second.

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

There was no objection.

Mr. DINGELL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, the purpose of H.R. 8977 is to preserve and protect the valuable wildlife and habitat on Egmont Key by designating the key a national wildlife refuge.

Mr. Speaker, Egmont Key is located at the entrance of Tampa Bay, in Hillsborough County, Fla. It is a typical barrier sand island which supports numer-

ous species of resident land birds, including wading and shore birds. Probably most important is the use of the beach at the southern end of the island, and the adjacent shallow flats by the endangered brown pelican for resting and feeding.

Mr. Speaker, Egmont Key is about 300 acres in size. The Coast Guard utilizes about 55 acres on the north end of the island. The Tampa Bay Pilots Association, under a 99-year lease, utilizes a 5 1/2-acre tract of land in the southern portion of the island.

Mr. Speaker, the remainder of the island, containing about 250 acres, is the area that would be included in the Egmont Key National Wildlife Refuge.

Mr. Speaker, Egmont Key consists of public lands under the administration of the Department of the Interior. The Department is being pressured to make the island into a recreational park or a national wildlife refuge, or to allow the area to be utilized as an oil depot and port facility.

Mr. Speaker, the Department has indicated its interest in seeing the island made a part of the National Wildlife Refuge System, but as of this date, it has not taken the necessary steps to accomplish this purpose.

Mr. Speaker, briefly explained, this legislation would merely do what the Department of the Interior says it wants to do, but has not done. The legislation would provide for the designation of all of the land on Egmont Key—except for those lands being utilized by the Coast Guard and the lands under lease to the Tampa Bay Pilots Association—as the Egmont Key National Wildlife Refuge. When so designated, as provided by the legislation, it would be administered as a part of the National Wildlife Refuge System.

Mr. Speaker, this legislation has the sponsorship of the entire Florida Congressional Delegation, which clearly indicates the importance they attach to its passage. It was unanimously ordered reported by the Committee on Merchant Marine and Fisheries, and I strongly urge its immediate passage.

Mr. GOODLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. Young).

Mr. YOUNG of Florida. Mr. Speaker, as one of the introducers of this bill, I rise in its support without taking a great deal of time of the Members of the House, I point out that this is one of the very few islands remaining anywhere in the United States which has this type of natural terrain. We want to preserve it for all the people of Florida and the Nation.

It lies in a very strategic spot adjacent to the district I am honored to represent. It is in or near the districts represented by the gentleman from Florida (Mr. GIBBONS) and the gentleman from Florida (Mr. HALEY). It is at the natural entrance to Tampa Bay.

Mr. Speaker, this bill is strongly supported by the people in all of our districts, and, without taking any more time of the House, I urge that the bill be passed.

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to my good friend, the gentleman from Florida (Mr. GIBBONS), the author of the legislation.

Mr. GIBBONS. Mr. Speaker, I am pleased that we have before us today legislation to establish in the State of Florida a refuge to be known as "Egmont Key National Wildlife Refuge." I want to personally thank the chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, JOHN DINGELL, for his interest in this legislation. Under his leadership, we now have this bill before us which is extremely important to the State of Florida. The entire Florida delegation is behind it, having cosponsored the legislation and worked for its enactment.

It is not only important to Florida, however, but to the Nation for it would preserve in its natural state one of our great environmental heritages that are so rapidly vanishing.

This legislation would designate all of Egmont Key as a refuge except for approximately 55 acres of land at the north end of the island retained by the Coast Guard as a lighthouse, and 5.5 acres of land previously deeded to Hillsborough County, Fla. The 250-acre refuge would be administered subject to existing rights, such as the utilization of 5 acres of land by the Tampa Bay Pilots Association under a revocable 5-year license, and an easement over the land to the Florida Power Corp.

The Department of the Interior has stated it wants to make Egmont Key a national wildlife refuge, but as of this date, no steps have been taken to do so. This legislation would protect Egmont Key by declaring it a refuge by an act of Congress, and would prevent any future administrative action reversing the use of this valuable key as a wildlife refuge.

The cost is minuscule for the protection of Egmont Key as a refuge for various species of wildlife and wading birds and for the public's use as a recreational facility.

I would like to make a part of the record today my testimony before Mr. DINGELL's subcommittees in behalf of H.R. 8977, to establish in the State of Florida the Egmont Key National Wildlife Refuge.

My statement follows:

STATEMENT OF CONGRESSMAN SAM M. GIBBONS
BEFORE THE SUBCOMMITTEE ON FISHERIES,
WILDLIFE CONSERVATION, AND THE ENVIRONMENT

Mr. Chairman and members of the committee, I'm very pleased to be here today to testify on the bill to establish an Egmont Key National Wildlife Refuge. This bill concerns something of especial importance to the people of my state, and I think this is evidenced by the fact that all my fellow Representatives from Florida have cosponsored this measure and that the two Senators from Florida have introduced similar legislation. Such solidarity makes this occasion particularly pleasant.

Although Egmont Key is located at the mouth of busy Tampa Bay, it has largely resisted the more unsettling effects of civilization. While the Key has physically been in-

involved with the settling and development of this country for over 400 years, and still bears the evidence of this development, it is nevertheless a striking example of our great environmental heritage that seems so rapidly disappearing. Recently most of the Key's 295 acres have been declared excess to the needs of the United States Coast Guard. I believe that we should take steps now to ensure that this unspoiled island is preserved and protected in the form of a National Wildlife Refuge.

Ecologically, the Key is a beautiful example of some of the original wilderness of coastal Florida. Surrounded by beaches and covered with sable palms, the island is used by several rare and important species of shorebirds and waterfowl. Probably most significantly, the island and its adjacent flats serve as a feeding and roosting area for the endangered eastern brown pelican. These birds apparently fly back and forth between the Key and the Pinellas National Wildlife Refuge about a mile away. Last year it was estimated that 1500 pairs of these rare birds were nesting at the Pinellas Refuge, and it has been indicated that the two sites are of mutual importance in maintaining the brown pelican of this area.

In addition, the shallow water to the east of the island serves as an excellent feeding area for an enormous variety of water and shore birds including herons, egrets, terns, cormorants, and gulls. Colonies of least terns and oystercatchers are known to nest on the Key, and in the past, nesting colonies of the great blue heron were also known to use the island.

Aside from its considerable ecological importance, Egmont Key's value as a historical site is also of considerable significance. The Key's history spans back into the early sixteenth century when the early Spanish explorers were attracted to its strategic position at the mouth of the largest bay on the west coast of Florida. The pro-Dominican Martyrs of America anchored off the tiny island's shore as they made a doomed attempt to establish an Indian mission on the Tampa Bay Coast in 1549. Sixteen years later the Spaniards erected a small fortification on the Key.

In the early eighteenth century English freebooters frequented the island; in fact, the Key's earlier name was "Castor Key" after one of these pirates. Later when Britain came to possess Florida from 1768-1783, the Key was officially designated "Egmont Key." It was evidently named in honor of the second Earl of Egmont, an Irish Peer, who served King George III as Lord High Admiral and Postmaster General.

After the Americans took over and Tampa's Fort Brooke was founded in 1824, the Key's strategic location was again noted and a detachment of American forces was placed on the Key. During the Second and Third Seminole Indian Wars, the Key was often used as a gathering spot, or depot, where captured Indians were incarcerated before being deported to the West. During these conflicts when hundreds of transports and supply vessels began using Tampa Bay's harbor, the Egmont Key lighthouse was erected. After it was partially destroyed by a severe hurricane in 1848, it was immediately rebuilt. This is the same structure maintained today at the northern tip of the island, a hundred and twenty-five years later, by the United States Coast Guard.

In February of 1849, young Robert E. Lee, then a Colonel in the U.S. Army, visited the coast and islands of Tampa Bay on a survey mission with the Board of Engineers. This group in their report to the Secretary of War recommended that Egmont Key and its sister island, Mullet Key, be reserved by the Government as a key to the defense of the area.

More peaceful years existed until 1861 when Florida withdrew from the Union and joined her sisters in the Confederate States. During the ensuing war years the Key was a land base for the Union's blockading squadron and small raids were made from there on the mainland. The island also served as a refugee camp for escaped slaves and Union sympathizers until they could be transported by ship to the North and Key West.

After the Civil War the Key lay silent until 1898 when the Spanish-American War broke out. At this time the Government built Fort Dade on Egmont Key. This fortress, along with Fort DeSoto on Mullet Key, leveled its guns across the Bay to protect the Tampa harbor from Spanish invasion. Today on Egmont Key are to be seen the historic ruins of this fort—its fortifications, cannon, sand-bagged dugout, munition magazine, post hospital and long strips of paved roads are all silent reminders of a threat once weathered and a time long past.

When 240 acres of Egmont Key were declared surplus to the needs of the Coast Guard, several parties made their interests known. Commercially, there has been some speculation that the island's important location in relation to Tampa's shipping channels would make Egmont Key ideal as an oil depot and port facility. Local governments keen on the idea of preserving the Key from such use proposed that it be converted into a recreational park along the lines of nearby Fort DeSoto Park on Mullet Key. I think that in light of the Key's precious ecological values, both of these concepts should be forgone in favor of the establishment of a National Wildlife Refuge. The development of the island as either a port facility or as a purely recreation-oriented park would pose a grave threat to the wildlife population of the island, especially the endangered eastern brown pelican.

While I believe it's important that the public be able to use Egmont Key as a recreational facility, I also believe that this use must not be to the detriment of the island's great natural values. With its policy of allowing only that public use that is harmonious with the primary objective of protection and preservation of wildlife resources, the National Wildlife Refuge Program is the best safekeeper Egmont could have.

I have been informed that the Department of the Interior is in favor of the establishment of such a Wildlife Refuge on Egmont Key, and in my efforts I have received the support of many organizations and individuals strongly interested in the protection and preservation of the Key's great historical and natural resources. I hope that you all will regard this bill favorably and help ensure that Egmont Key will be unspoiled and enjoyed for many more generations.

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

Mr. GIBBONS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I would like to compliment the gentleman from Florida (Mr. GIBBONS) and all the members of the Florida delegation for the leadership which they have given in bringing this legislation to the point where it can be passed, preventing controversy, and wisely foreseeing the need for conservation and protection of this area.

Mr. GIBBONS. Mr. Speaker, I thank the gentleman for his remarks.

Mr. HALEY. Mr. Speaker, I would like to express to you my support for the bill H.R. 8977, which I have joined my colleague, Representative SAM GIBBONS, in

introducing and which would establish a National Wildlife Refuge on Egmont Key in Hillsborough County, Fla.

In recent years the island and the shallow waters to its east have become a nesting, roosting, feeding, and loafing area for numerous species of waterfowl—in particular the brown pelican. The effort to protect this island and what it offers to man and wildlife, has evoked strong support from many organizations and private citizens in my congressional district.

I would like to urge the House to vote for this bill which would make Egmont Key a national wildlife refuge to be utilized by wildlife for their livelihood and to be enjoyed by those who wish to share the unique experience of visiting a quiet, unspoiled area so rich in historical and environmental significance.

Mr. GOODLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. WILLIAMS).

Mr. WILLIAMS. Mr. Speaker, I would like to associate myself with the remarks of my distinguished colleague, the gentleman from Michigan (Mr. DINGELL), and the other Members who have spoken in favor of this legislation.

I have had the privilege of visiting Egmont Key in Florida, and I certainly think that it should be preserved as a national wildlife refuge.

Mr. DINGELL. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. GUNTER).

Mr. GUNTER. Mr. Speaker, as a sponsor of the legislation to establish the Egmont Key National Wildlife Refuge in the State of Florida, I join with my other colleagues who have worked so hard to bring this legislation to the point of passage in urging its adoption by the House.

I particularly wish to commend my colleague, Mr. GIBBONS, for his persistence in pressing for this legislation. Also to be commended is the Subcommittee on Fisheries, Wildlife Conservation, and the Environment of the Committee on Merchant Marine and Fisheries, under the strong leadership of Mr. DINGELL, which has favorably reported this bill to the House.

The decision of the subcommittee to take action despite the view of the Interior Department that it did not need further authority to accomplish the objectives of the bill was, in my view, wise and proper.

Those of us who have been working for this legislation feel that creation of the Egmont Key refuge is of sufficient importance that the question ought not to be left to the future discretion of the Interior Department. This bill would create the refuge in fact as well as intention.

Mr. Speaker, we are all aware of the persistent and, perhaps in many instances, unavoidable encroachment on our natural environment and wildlife, including many considered to be endangered species.

Where the proximity of population centers exists, as it does in this instance,

the threat to our remaining natural resources and the corresponding need to act in order to retain some semblance of natural refuges are equally great.

The proposed Egmont Key refuge consists of approximately 300 acres at the entrance to Tampa Bay and is a habitat for endangered species, along with a wide variety of other forms of wildlife. The natural population pressures are such in the vicinity that some action is required if the area is to retain at least a small portion of acreage for the preservation and protection of these species.

While public use of the general area will be continued, this legislation would also act to preserve those forms of wildlife which also enhance the pleasure of visitors in observing a wide variety of species in their natural habitat.

The alternatives to enactment may well be to make the area either totally open to recreation on one hand, or to transform it to an oil depot and port facility on the other. The Interior Department appears to be under heavy pressure in this regard.

I therefore join with my colleagues from Florida in urging the prompt passage of this measure and to reaffirm the values this legislation is designed to enhance and preserve.

Mr. GOODLING. Mr. Speaker, I rise in support of H.R. 8977, a bill to create in the State of Florida, the Egmont Key National Wildlife Refuge.

The refuge is to be created on Egmont Key which is located at the mouth of Tampa Bay on Florida's west coast. This is an historic area, and the island has felt the influence of man's presence dating from Spanish colonial times when a small fortification was erected. At present, the U.S. Coast Guard maintains a lighthouse, a radio station, a barracks and other facilities on 55-acre area comprising the northern tip of the island. The refuge would be comprised of the island's remaining 250 acres. There are no other human residents of the island.

The area of which Egmont Key is a part is the natural habitat for migratory birds and for local species including an endangered species, the eastern brown pelican. The island is composed of open beaches, dunes, and thick stands of palms and some Australian pines. The beach-dune complex provides a home for a variety of sea and shore birds, plus a few small mammals, numerous tortoises, and other species. The shallow waters near Egmont Key are sometimes home to the endangered Florida manatee. Loggerhead turtles, which have been proposed for listing on the endangered species list, nest on Egmont's beaches.

At present Egmont Key is owned by the United States. The Department of the Interior has considered taking administrative action to make the island a refuge, but has been under increasing pressure to allow its use as an oil depot and port facility or a park. The Department of the Interior did testify in favor of making the island a wildlife refuge because of the great need for protected breeding areas and living space for local

and migratory wildlife. Egmont Key will join two other wildlife refuges in the general area in providing just such a safe habitat. At the present time, as many as several hundred boatloads of people visit the island on weekends and this pressure poses an increasing threat to the loggerhead turtle and other species. Public use of the island will be continued, but it must be carefully regulated so as to have minimal impact on the natural habitat.

The refuge would be administered subject to a revocable 5-year lease on 5 acres of land held by the Tampa Bay Pilots Association. There is an easement over the land in favor of the Florida Power Corp. H.R. 8977 authorizes the appropriation of funds needed to carry out the legislation. The costs involved are estimated by the committee at approximately \$15,000 per year. The land will not cost the Federal Government anything as it is already Federal property.

There has been no testimony against the establishment of the Egmont Key National Wildlife Refuge. By acting favorably on H.R. 8977, the Congress will preserve a beautiful and ecologically important example of the original wilderness of coastal Florida for man's benefit and enjoyment.

Mr. BURKE of Florida. Mr. Speaker, I rise in support of H.R. 8977, to establish Egmont Key, Fla., as a national wildlife refuge. I cosponsored this legislation with all the other Members of the Florida delegation. I am, indeed, proud to be associated with them in this effort.

As I testified before the Committee on Merchant Marine and Fisheries I support preservation of this small island in Tampa Bay in its natural state with recognition of its historical sites which date back to the early Spanish explorers of the 16th and 17th centuries for future generations of Floridians, Americans, and tourists from other lands.

1973 saw many new threats to Florida's environment, including the sale of offshore drilling leases off Florida's west coast. There is also the continuing demand for development of land adjacent to metropolitan areas which forces wildlife further and further from their natural habitat. The Department of the Interior has testified that the key is located in an area where the natural habitat for wildlife is fast diminishing. This is particularly true of the endangered brown pelican.

I hope my colleagues will join with me in voting for this legislation, which will help to insure that Florida's unique environment will be preserved.

Mrs. SULLIVAN. Mr. Speaker, I rise in support of H.R. 8977, a bill to establish Egmont Key National Wildlife Refuge.

Mr. Speaker, Egmont Key is located at the entrance of Tampa Bay in the State of Florida. Except for the portion of the island under the jurisdiction of the Coast Guard and a small tract of land under lease to the Tampa Bay Pilots Association, the remainder of the island would

be designated as a wildlife refuge and administered as a part of the National Wildlife Refuge System.

Mr. Speaker, it is urgent that this refuge be established at the earliest possible date, because there are pressures being exerted upon the Secretary of the Interior to allow this island—consisting entirely of public domain land—to be used for such purposes as an oil depot and port facility and a recreation-oriented park.

Mr. Speaker, this island serves as habitat for the endangered brown pelican and a number of other species of water birds, such as egrets, herons, gulls, and terns.

Mr. Speaker, because of the possible threat of turning this historical island into an oil depot or a recreation-oriented park, our colleague, SAM GIBBONS, along with the 14 other Members of the House from the State of Florida, all of whom I would like to commend at this time, took the initiative in introducing legislation that is designed to give the habitat on this island the protection to which it is entitled.

Mr. Speaker, H.R. 8977 was unanimously ordered reported by my Committee on Merchant Marine and Fisheries, and I urge its prompt passage.

Mr. ROGERS. Mr. Speaker, I rise to support H.R. 8977, a bill to establish Egmont Key National Wildlife Refuge. On April 12, 1973, I joined other members of the Florida delegation in introducing a similar bill, H.R. 6911, in order to assure that the unique and unspoiled natural beauty and wildlife of this island would be preserved for years henceforth.

Egmont Key is located just west of Fort DeSoto State Park off the coast of St. Petersburg, Fla., near the entrance of Tampa Bay. Unlike many of the islands and keys off the west coast of Florida, Egmont is a "high-and-dry" island covered with large trees and other vegetation not generally indigenous to the area. The only remnants of civilization remaining on the Key include an old lighthouse rebuilt in 1848, a small unpretentious Coast Guard station and the skeleton of an off-shore gun battery and other fortifications used during the Spanish-American War. The island is a shell collectors paradise and a retreat for many weekend boaters.

I believe that it is necessary for our Nation to preserve these islands of beauty and rich historical significance in Florida and elsewhere. Development of the keys and peninsulas off the coast of Florida has increased at a staggering pace. Orderly development is consistent with the economic growth of the State and necessary to the financial well-being of Florida residents. However, we must not jeopardize the principal drawing card of Florida's tourist industry—its coastal beauty. We can assure people for generations to come that when they gaze out to sea from the bastions of Fort DeSoto, that visions of Spanish galleons, blockade runners, and island dreams are beheld—not high-rise apartments.

Mr. Speaker, I urge my colleagues to join me and the other cosponsors in sup-

port of H.R. 8977, which would give the Secretary of the Interior authority to protect and preserve its historical, natural, and recreational values.

Mr. YOUNG of Florida. Mr. Speaker, I rise in support of H.R. 8977, a bill to add Egmont Key in the State of Florida to the National Wildlife Refuge System. As a cosponsor of H.R. 5282, the predecessor bill to this legislation, I was proud to join my colleagues of the Florida delegation in the introduction of H.R. 8977, as approved by the House Merchant Marine and Fisheries Committee.

Located at the mouth of Tampa Bay, Fla., Egmont Key remains today one of the dwindling places of refuge for a large variety of flora and fauna native to Florida. The brown pelican nests in its secluded marshes, safe from the encroachments of civilization.

At the same time, the beaches of Egmont Key provide a valuable recreational resource for the residents of the Tampa Bay area, and on any given weekend there may be hundreds of visitors to the key, boating, picnicking and swimming.

By incorporating Egmont Key into the National Wildlife Refuge System, the House will protect both of these important aspects of the key for the future. The Department of the Interior will be responsible for maintaining Egmont Key as a wildlife habitat and for developing recreational uses compatible with these conservation goals. The cost to the government will be very little, but the future benefits to all Americans will be great. I therefore urge my colleagues to lend their support to final passage of H.R. 8977.

Mr. BENNETT. Mr. Speaker, I rise in support of this legislation. As a boy, many years ago, I walked the sandy shores of this island with my father, who was the meteorologist in that area and had there the help of a resident cooperative weather observer. It is a beautiful and historic piece of land. I am delighted that this legislation, primarily sponsored by our distinguished and able Congressman SAM GIBBONS, is now about to become law.

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 bill before us.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL) that the House suspend the rules and pass the bill H.R. 8977, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PRESERVATION OF LANDS KNOWN AS PISCATAWAY PARK

Mr. TAYLOR of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4861) to amend the act of October 4, 1961, providing for the preservation and protection of certain lands known as Piscataway Park in Prince Georges and Charles Counties, Md., and for other purposes, as amended.

The Clerk read as follows:

H.R. 4861

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of October 4, 1961 (75 Stat. 780), providing for the preservation and protection of certain lands in Prince Georges and Charles Counties, Maryland, as amended, is amended as follows:

(a) In section 2(b), amend the first sentence by striking out "drawing entitled 'Piscataway Park,' numbered NCR 69,714-18, and dated January 25, 1966," and inserting in lieu thereof "drawing entitled 'Piscataway Park,' numbered PIS-P-7000, and dated Revised January, 1973."

(b) In section 2(b), delete the words "The property herein described is more particularly depicted on the drawing numbered 1961-1, a copy of which is on file with the Secretary of the Interior."

(c) In section 2(c), delete the first sentence and insert in lieu thereof the following: "Effective on the date of enactment of this Act, there is hereby vested in the United States all right, title and interest in, and the right to immediate possession of, all real property within the boundaries of the parcels designated A, B, C, and D, as shown on the drawing referenced in subsection 2(b). The United States will pay just compensation to the owners of any property taken pursuant to this subsection and the full faith and credit of the United States is hereby pledged to the payment of any judgment so entered against the United States. Payment shall be made by the Secretary of the Treasury from moneys available and appropriated from the Land and Water Conservation Fund, subject to the appropriation limitation contained in section 4 of this Act, upon certification to him by the Secretary of the Interior of the agreed negotiated value of such property, or the valuation of the property awarded by judgment, including interest at the rate of 6 per centum per annum from the date of taking to the date of payment therefor. In the absence of a negotiated agreement or an action by the owner within one year after the date of enactment of this Act, the Secretary may initiate proceedings at any time seeking a determination of just compensation in a court of competent jurisdiction. The Secretary shall allow for the orderly termination of all operations on real property acquired by the United States in parcels A, B, C, and D of this subsection, and for the removal of equipment, facilities, and personal property therefrom. To further the preservation objective of this Act, the Secretary of the Interior may accept donations of scenic easements in the land within the area designated as 'Scenic Protection Area' on the drawing referred to in subsection (b) of this section."

(d) In section 4, delete "\$5,657,000" and insert "\$10,557,000".

The SPEAKER. Is a second demanded?

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

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

There was no objection.

The SPEAKER. The gentleman from North Carolina and the gentleman from Kansas will each be recognized for 20 minutes.

The Chair now recognizes the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield myself 5 minutes. I rise in support of H.R. 4861—a bill to amend the act creating the area known as Piscataway Park in the State of Maryland.

BACKGROUND

As most of the Members of the House will recall, in 1961 the Congress enacted legislation which endeavored to assure the preservation of the scenic view from Mount Vernon and Fort Washington. To accomplish this, we created a new unit of the National Capital Park System which is commonly known as Piscataway Park.

After the park was created, several public spirited people—including our former colleague in the House, the Honorable Francis P. Bolton—donated the lands which they had acquired through the Accokeek Foundation in fee simple to the United States for inclusion in the park. Unfortunately, the Government was slow in acquiring the remaining lands and values in this area—as in all areas around Washington—began to escalate. On two separate occasions, the Congress has reconsidered this situation and both times it has voted to increase the authorization ceiling to complete this program.

At the present time, the authorization ceiling totals \$5,657,000. During the hearings on this legislation, the members of the Subcommittee on National Parks and Recreation were assured that this amount would be adequate to complete the present land program, but that additional sums would be necessary if additional lands were to be acquired.

Originally, the park was divided into two distinct zones: A fee acquisition zone along the river over which complete Federal ownership was contemplated; and a scenic protection area located adjacent to, but behind, the fee zone.

WHAT H.R. 4861 WOULD ACCOMPLISH

H.R. 4861, as recommended, would modify the park plan by adding certain lands presently within the scenic zone to the fee acquisition area. Briefly, the tracts to be added are these:

First, Marshall Hall Amusement Park—an 11-acre area with existing structures and facilities typical of an area of this kind. Presently, the Government owns a scenic easement covering the area which restricts its future development, but which allows the existing noncompatible uses to continue indefinitely.

Second, Tricent Corporation tract.—A 330-acre tract of land—most of which was once part of the Marshall Hall property. Most of this land was purchased at auction from the owners of Marshall Hall in order to assure its preservation. The

current owners, which include Mrs. Bolton, voluntarily sold a scenic easement covering this tract to the Government and they are willing to sell the remainder of their interest to the Government at cost. The members of the subcommittee were told that this land was bought as a holding action until the Government could act.

Third, 4.7-acre parcel.—This small parcel of land is sandwiched in between the boundaries of the existing fee acquisition zone and the areas which would be acquired if H.R. 4861 is approved.

Fourth, Of the three remaining tracts, the members of the subcommittee were told that all are within view of the Mount Vernon Estate, all are outside the existing park boundary, and that some or all of them have already been zoned for commercial development: 157 acres adjacent to the southwest side of Marshall Hall; 14 acres of riverfront land immediately adjacent to Marshall Hall on the downstream side; and 9 acres of land and the marina adjoining Fort Washington Historical Park.

Mr. Speaker, if H.R. 4861 becomes law, these six parcels would become a useful part of the park and would add significantly to the land base upon which the Government could place modest public use facilities. Their acquisition would remove from the scene existing noncompatible uses and would eliminate threatened adverse developments in the future.

H.R. 4861 includes a provision for a legislative taking. The members of the subcommittee concluded and the members of the full committee agreed that this provision was essential if we were to assure the prompt acquisition of the lands involved in this proposal. While there may be arguments on both sides of this question, it is clear that we must move forward quickly if we are to avoid the escalating land prices that we have experienced in this area in the past and if we are to complete this program in time for the celebration of the Nation's Bicentennial.

COST

According to the estimates provided to the committee by the spokesmen for the Department of the Interior, the costs associated with this legislation may total as much as \$4.9 million. While the members of the committee do not have the professional expertise which is available to the Department in making estimates of this kind, we certainly hope that these lands can be acquired at a price substantially lower than the estimates provided to the committee.

CONCLUSION

Mr. Speaker, few places are as sacred to the hearts of all Americans than the home of our first President. Probably no park area has consistently generated more mail from our constituents in the last few years than this small park across from Mount Vernon. If H.R. 4861—by our late and beloved colleague from Pennsylvania, Hon. John Saylor—is enacted we should, I hope, close the book and consider our mission accomplished.

I have a statement by the Honorable

CARL ALBERT, the Speaker of the House of Representatives, which I will read into the RECORD:

Mr. Speaker, I rise in support of H.R. 4861. This measure would culminate the long-time effort to complete the National Piscataway Park opposite Mt. Vernon. Our late beloved colleague, the Honorable John P. Saylor, labored to this end for better than a decade and it would be a fitting tribute to those efforts to finalize this park in time for the Bicentennial in 1976. It is a pleasure to join with the distinguished Chairman of the Committee on Interior, Mr. Haley, the distinguished Chairman of the Subcommittee, Mr. Taylor, and the distinguished ranking Members, Mr. Hosmer and Mr. Skubitz, respectively, in an effort to complete one of the outstanding parks, to beautify the area and honor our first President.

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

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

Mr. SKUBITZ. I am happy to yield to the gentleman from California.

Mr. HOSMER. Mr. Speaker, I give my support to H.R. 4861. This bill is designed to bring to completion the acquisition of lands in Piscataway Park, so as to embrace within the park those lands needed to fully protect the historic view from Mount Vernon.

Much of the land to be acquired is yet threatened by the possibility of commercial development. After 12 long years of continuing effort to complete this project since its inception with Federal legislation, we are now putting the finishing touches on the effort with this bill.

Had we acted years earlier to do what we are doing today, we would have saved considerable money. I have not known of a case yet where procrastination in buying parkland has saved any money, and in many instances, such as this one, the delay has resulted in the complete loss of the land to conflicting and adverse uses.

We can be grateful that in the case of Piscataway Park, the interest of local people has been intense in safeguarding this land and the historic view it represents. More than half of the acres and costs of preserving it have been borne by dedicated individuals and organizations. It seems warranted therefore, that the Federal Government should take the necessary action to bring the completing, and hopefully final protective steps, to assure the permanent integrity of the lands which provide this great and historic view from the estate of our Nation's first President.

Mount Vernon is expected to be one of the most popular and heavily visited sites in the country during our Bicentennial celebration. It seems only logical and responsible that the Congress should take this most important and timely step to assure the increased protection of this historic view, and I urge my colleagues to vote with me in support of this important piece of legislation.

This legislation was introduced and strongly supported by our departed colleague, the former ranking member of the Interior and Insular Affairs Committee, the late John Saylor, of Pennsyl-

vania. I think we should pass it particularly in tribute, at least, to this great protector of America's natural heritage.

PURPOSE

The purpose of H.R. 4861 is to authorize the acquisition of certain lands in Maryland across the Potomac River from Mount Vernon so that the integrity of the view from George Washington's home can be preserved.

BACKGROUND

Piscataway Park, along the Maryland shore of the Potomac River, was created in 1961 as a unit of the National Capital Parks system for the purpose of assuring the preservation of lands in their historic State within view of the Mount Vernon estate across the river. Because most of the desired property was then in private hands, the 1961 act called for the purchase of parts of it and the acquisition of scenic easements—agreements to restrict development—from the owners for other parts. To accomplish these purposes, Congress has authorized the spending of some \$5.66 million up to this time.

Since 1961, scenic easements covering much of the designated territory have been conveyed voluntarily to the Government by private owners, while more than half of the acreage in the fee acquisition zone has been donated. But a sizable portion, about 300 acres, is presently controlled by the owners of an amusement park, Marshall Hall, which is operated on part of this land. In the 1961 act this tract was included in a scenic easement zone. It was not until 1972, however, that an agreement was reached with the owners to regulate the use of the land. During the intervening years, the owners of Marshall Hall considered several different schemes for developing their land. At one point, plans were unveiled and a zoning permit obtained for the establishment of a theme park similar to Disneyland, but litigation halted this. Later an agreement between the Park Service and the owners was worked out to exchange this land for parklands in Greenbelt, Md., but this agreement was voided by the Interior Department. The present agreement forbids the owner from altering the general appearance or dimensions of the present structures, except that they may construct low density, single-family residences. They may continue to operate the amusement park as it presently exists.

Many people concerned with preserving and enhancing the historical and cultural value of the Mount Vernon area, including the late Representative John P. Saylor, have come to the conclusion that full control over the use of the lands within the protected area should be secured and that some small additional tracts should be included. The site of Fort Washington, which is currently maintained by the Park Service, is located on a tract just across the mouth of Piscataway Creek from the Marshall Hall site. A marina serving the amusement park is considered by many to be detrimental to the value of Fort Washington and to the view from there to Mount Vernon.

Since Mr. Saylor's death, the gentleman from Kansas (Mr. SKUBITZ) has led an effort in the House to secure support for H.R. 4861. To date he and others have secured almost 250 signatures in support of the bill.

PROVISIONS

H.R. 4861 amends the 1961 act by granting to the Government immediate title to various tracts of land encompassed in the preservation area. These tracts include the 111 acres on which the Marshall Hall amusement park is located and two adjacent tracts—controlled by the Marshall Hall operators and comprising about 170 acres—which include a portion of Potomac River shoreline and are presently zoned for commercial development and are not covered by a scenic easement. The other parcels of land conveyed are a 330-acre tract of undeveloped land over which a scenic easement was voluntarily conveyed by the present owners; and two smaller tracts not covered by scenic easements, one containing the present Marshall Hall marina adjacent to Fort Washington. The bill authorizes whatever sums are necessary to compensate the present owners adequately for the land conveyed.

COSTS

The Interior Department contends that some \$4.9 million in additional funds will be needed for the acquisition of the remaining lands and interests in the area encompassing Piscataway Park.

COMMITTEE ACTION

By a record vote of 28 for and 5 against—two voting present—the full committee approved H.R. 4861 after full consideration of the Interior Department's expressed lack of support for the bill.

DISSENTING VIEWS

Mr. O'HARA—along with cosigners SAM STEIGER, TOWELL, and KETCHUM—questions the wisdom of additional spending for Piscataway Park when the uses to which it will be put have not been clarified. He wonders if \$4.9 million is needed if the park is to provide primarily a scenic background to Mount Vernon. If this is the case, he argues that the existing scenic easement would probably be adequate, although he does admit that some additions might be necessary. But if the park is to be developed as a recreational facility, he points out that little development has occurred to date or is planned and that objections to this have been voiced in the past by local landowners.

VIEWS

The Department of the Interior, contends that the existing restrictive easements and land acquisitions cover all of the territory included in the purview of the original act of 1961 and give adequate protection for these interests. The Department takes the position that new legislation and new spending for land acquisition is not needed.

Mr. SKUBITZ. Mr. Speaker, for 12 long years John Saylor fought to protect the panoramic view across the Potomac River from Mount Vernon—con-

sidered to be one of the finest in the world.

John Saylor knew that spoliation would inevitably result from the unchecked encroachment of man's development.

First it was the threat of the Washington Suburban Sanitary Commission which threatened to build a sewage disposal plant. When the National Park Service found itself helpless and the State of Maryland could do nothing, it was John Saylor and our former colleague, the Honorable Frances Bolton of Ohio, who took the initiative.

Through the generosity of Mrs. Bolton, who purchased 444 acres of land and donated it to the Federal Government, the first battle was won.

But that was not the only battle—nor will it be the last—unless this Congress acts favorably on H.R. 4861.

At another time, it was proposed to use a part of the area for an oil tank farm—at another as an excellent spot for a housing development and high-rise apartments—still another, as a Disneyland-type theme park.

In 1961, Congressmen John Saylor and Wayne Aspinall introduced legislation to preserve for the benefit of present and future generations, the historic and scenic values of lands located in Princes Georges and Charles Counties in a manner that would insure the retention of the natural beauty of such lands, as it existed at the time of construction and active use of Mount Vernon.

It was never intended to be a recreational area except in a very limited sense. The hearings and discussion on the initial legislation will bear out.

The 1961 act and subsequent legislation has resulted in most of the land coming under Federal supervision, through fee acquisition or scenic easements.

So strong has been the support of local residents that more than half of all the acreage in the park has been by donation, either in fee or in scenic easements.

There are yet remaining several parcels of land which are unprotected and whose potential development still constitutes an ominous threat to the complete preservation of this view.

H.R. 4861—the bill before us—is John Saylor's final effort to complete the acquisition of lands for Piscataway Park—to guarantee forever, that majestic view across from Mount Vernon.

There are still several key parcels which are currently zoned commercial—parcels upon which we have no easements and upon which commercial developments can be constructed up to 70 feet in height. These areas have been the subject of recurring speculation and rumors of plans for various forms of obtrusive development which would be clearly visible from Mount Vernon.

Considering how much effort has been devoted over the years to securing the protection of the acreage embraced by the park, how ironic it would be, at this late date, to permit some adverse de-

velopment in the small remaining unprotected areas.

It is true that the Department did submit a negative report; but the Interior Committee, after full consideration, reported the bill favorably by a vote of 28 to 5.

Mr. Speaker, the gross inaccuracies and misrepresentations of facts in the departmental report are shocking.

The kindest thing that could possibly be said for it is that the author did not review the history of the project prior to the writing of the report.

For example, the report, in recommending against the enactment of the bill says:

Neither at the time of the original enactment nor at the time of subsequent increases in appropriation authorizations in 1966 and 1972 did the Congress or the Department consider fee acquisition of Marshall Hall . . . necessary to protect the overview.

Now, what are the facts?

The initial legislation introduced by John Saylor and Wayne Aspinall in the House and by Senator ANDERSON in the Senate specifically provided for the taking of Marshall Hall.

Why was it finally excluded from the bill in 1961? Was it because the Department did not consider it necessary to protect the overview?

Well—let me read from the hearings on H.R. 7852 and House Joint Resolution 459 dated August 17, 1961. T. Sutton Jett, Superintendent of the National Capital Parks, speaking of the Marshall Hall area said:

We have recommended as you will see in the departmental report, that the southern tip of this property, which is Marshall Hall, be excluded.

We did this purely because of economic reasons only. We thought this would be very expensive property.

So we see that the determining issue was cost. The facts are that we could have purchased the land then for a few dollars more than the easement cost in 1972.

On March 8, 1972, Richard Stanton, Assistant Director for National Capital Parks of the National Park Service, prepared a report for the Department entitled, "Potential Adverse Environmental Impact of Two Tracts of Land Controlled by Joseph I. Goldstein Across From Mount Vernon."

That report says:

Lands zoned commercial in Charles County may be used for virtually any commercial use . . . with a height limitation of 70 feet.

Mr. Stanton then submitted a photograph and said:

Photograph A was taken from the lawn at Mt. Vernon and shows Marshall Hall Amusement Park and the boat landing dock. Superimposed over this photograph is a sketch of a six story, 70 foot apartment project . . . which would be a disastrous intrusion on the Mt. Vernon scene.

Mr. Speaker, that is what this bill is all about—to remove the possibility of such intrusions and to not wait until they happen and the costs shoot sky high.

As further evidence that the Department misrepresented the facts when it says it never contemplated acquiring the Marshall Hall area in fee simple, I read

from the Senate subcommittee hearing on February 27 and 28, 1972, on a similar bill to H.R. 4861:

Senator BIBLE. Did the Park Service or did they not enter into an agreement with Mr. Goldstein on the Marshall Hall property for exchange?

Mr. HARTZOG. I entered into an agreement with Mr. Goldstein to trade him completely off the river for all of his properties, subject to administration approval of legislation and its enactment by the Congress, which would have the effect of adding this 14 acres, this 157 acres and this 9 acres and acquiring the remaining 111 acres in Marshall Hall in fee. Then Mr. Goldstein is off the river and we are both happy about it.

Mr. Speaker, note, this is precisely what John Saylor's bill provides:

Mr. BIBLE. Does that meet the approval of—is that the administration's position?

Mr. HARTZOG. No, sir; it is not.

Mr. BIBLE. Why doesn't the administration approve this?

Mr. HARTZOG. I have not had an opportunity to talk with the Assistant Secretary [Nat Reed], but I am advised by the staff when they briefed him on this last week he indicated that he was not going to approve it and he was in turn going to ask for additional money to buy it in fee.

Mr. BIBLE. To buy in fee?

Mr. HARTZOG. Yes, sir.

In light of this testimony, Senator BIBLE directed Assistant Secretary Reed to appear before the committee and this interesting exchange took place:

Senator BIBLE. You are familiar with the letter of agreement under date of February 4, 1972, between George Hartzog and Joseph I. Goldstein, president of Star Enterprises, Ltd.?

Mr. REED. Yes, sir.

Senator BIBLE. My understanding of the testimony of Mr. Hartzog yesterday was though he approved of an agreement, you did not?

Mr. REED. That is correct.

Senator BIBLE. Why do you not approve it?

Mr. REED. I would have difficulty in supporting a plan that exchanged lands within Greenbelt Park for that very desirable effort to protect the Piscataway view.

Mr. BIBLE. Why?

Mr. REED. I believe the Greenbelt Park is of inestimable value at this time. I think the value is so great that I cannot conceive of transferring it.

Mr. BIBLE. The fact that it was in a letter that they were going to put an amusement park on the Beltway, does that have anything to do with your decision?

Mr. REED. Yes, sir. I think that besides the amusement park aspect, to allow this number of acres to go into high-density development is contrary to my personal belief as to the value of 1,100 acres of urban open space, of natural park. I believe wholeheartedly in the concept of trying to clean up the view of Piscataway and protecting that majestic view from the Mt. Vernon front lawn. But if we do that, I believe we should pay for it in cash and not by a land swap.

Well, there you have it—the facts completely contradict the departmental report.

Now, what has happened since February 1972, when the Department requested that the Senate Committee defer action on the companion bill pending the outcome of the legal action by the Department for the condemnation of a scenic easement on Marshall Hall proper.

The Senate granted the request, and since then the Department purchased a scenic easement on Marshall Hall.

Do you know what it cost—\$8,100 an acre—34 percent of the fee value of the land. The amusement park still stands as an eye sore and Mr. Goldstein still operates his amusement park.

Nothing was done about the additional lands which are zoned commercial. Structures up to 70 feet high can be constructed, and the Department admits such structures would be visible from Mt. Vernon.

This bill serves to correct the miserable mess the Department is getting us into.

Make no mistake—let the bulldozers roll on this now unimproved land, and the Department will come running and we will be called to pay manifold what we can get it for now as unimproved land.

Mr. Speaker, October 16, 1973, is a day I shall not forget. That was the day John Saylor learned of his health condition. That was the day Nat Reed submitted the Department's negative report. That was the last day John Saylor ever attended a National Park subcommittee meeting.

I waited for John to speak out. Instead, he smiled and in a quiet voice said:

Mr. Secretary, I do not expect to be around here a decade or two from now, at least not as a Member of Congress . . . if I have to wait ten or twenty years my only hope is that my grandchildren can go to Mt. Vernon, look at it and say, well, at least Granddad thought about it and tried to do something about it, and maybe if they had listened to him . . ."

And then looking at Nat Reed he said:

Maybe someday long after Nat Reed is gone—long after John Saylor is gone—someone may be able to do this.

Mr. Speaker, neither you nor I believe that John Saylor would want this bill passed if it was not a meritorious measure. He had nothing to gain personally. It was not in his district. Nor would Wayne Aspinall support it if he did not believe in it.

Mr. Speaker, I urge its passage.

Mr. Speaker, I would like to have inserted in the RECORD at the end of my statement, the following letter which is addressed to you and bears the signature of 227 Members of the House.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 20, 1973.
HON. CARL ALBERT,
Speaker of the House,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: H.R. 4861 was ordered to be favorably reported by an overwhelming majority (28 to 5) of the Interior and Insular Affairs Committee. This bill seeks to complete, after 12 years, the Piscataway Park on the Potomac River across from Mount Vernon.

When H.R. 4861 was introduced by our late and beloved colleague, the Honorable John P. Saylor from Pennsylvania, it was judged to be a culmination of his pioneering efforts in behalf of this important area. Congressman Saylor's last committee meeting on October 16, 1973, concerned H.R. 4861. It was on that day that John learned the sad news of his bad health condition, and also learned of the unfavorable position of the Department of the Interior on this bill.

While I am sure the passage of this legislation can serve as a living memorial to our late respected colleague, if this were the

only basis for favorable action, John Saylor would be the first to object. His more than twenty years as one of the Nation's outstanding conservationists was achieved by supporting and working for highly meritorious programs and projects.

Two basic elements are involved in bringing this legislation to the floor. The first is that it not only completes the Park but, in so doing, removes serious hazards to the Park's scenic resources and provides greater access for recreation within the purposes of the act. The second is the almost incomprehensible inaccuracies of the unfavorable report submitted by the Department.

Some areas of private commingled lands are zoned commercial, and such development can do serious disservice to the entire Park. Other areas, some covered with scenic easements, still maintain uses not in conformance to the Park proper.

The report of the Department contended that the fee acquisition of Marshall Hall and other lands had never been considered. Actually the original 1961 proposals by Congressman Saylor, Congressman Aspinall and Senator Anderson did precisely that. Three later instances further disprove this allegation in the report as evidenced by bills introduced, and hearings regarding the specific lands that would be acquired in fee by H.R. 4861 occurred as recently as last year.

The report contended that the areas in the bill were either not visible from Mount Vernon or were currently under protection. The Department's own study, including pictures completed only one year ago, clearly refutes their unfavorable report and this was finally admitted during the hearings by the Administration witness. Also, the area is not under adequate protection and one owner is reported to be planning the construction of an "observation tower" on land which currently has no restraints on such construction.

We support H.R. 4861, as reported by the Interior Committee, as a needed final step. With the Bicentennial Year soon to be celebrated, what would be more appropriate?

ALPHABETICAL LIST OF SIGNERS

Abdnor, James; Adams, Brock; Anderson, Glenn; Anderson, John; Andrews, Mark; Archer, Bill; Arends, Leslie, Baker, LaMar; Barrett, William A.; Bauman, Robert; Bell, Alphonso.

Bennett, Charles; Blester, Edward; Bingham, Jonathan; Blatnik, John; Brademus, John; Brasco, Frank; Bray, Bill; Breckinridge, John; Brooks, Jack; Broomfield, William.

Brown, Clarence; Brown, Garry; Brown, George; Broyhill, James; Broyhill, Joel; Buchanan, John; Burke, J. Herbert; Burke, James A.; Burke, Yvonne B.; Burleson, Omar; Burlison, Bill; Burton, Phillip; Butler, M. Caldwell; Camp, John N.; Carey, Hugh; Carter, Tim Lee; Chamberlain, Charles; Clancy, Don; Clark, Frank.

Clausen, Don; Cochran, Thad; Cohen, William; Collins, James M.; Conte, Silvio; Corman, James; Crane, Phillip; Cronin, Paul; Daniel, Dan; Davis, John.

Davis, Mendel J.; Dennis, David; Dent, John H.; Devine, Samuel; Dickinson, William; Dingell, John; Donohue, Harold; Dorn, Wm. J. Bryan; Duncan, John; Eckhardt, Bob; Edward, Don; Ellberg, Joshua; Erlenborn, John; Esch, Marvin; Eshleman, Edwin; Fascell, Dante; Findley, Paul; Fish, Hamilton; Flood, Daniel.

Foley, Thomas; Frelinghuysen, Peter; Frenzel, Bill; Frey, Louis; Fuqua, Don; Gaydos, Joseph; Gettys, Tom; Gibbons, Sam; Goodling, George.

Gonzalez, Henry; Gary, Kenneth; Green, William; Grover, James; Guyer, Tennyson; Hammerschmidt, John Paul; Hanrahan, Robert; Hansen, Orval; Harsha, William; Hastings, James.

Hechler, Ken; Heckler, Margaret; Heinz, H. John; Helstoski, Henry; Henderson, David;

Hicks, Floyd; Hollifield, Chet; Horton, Frank; Hosmer, Craig; Howard, James.

Hudnut, William; Hungate, William; Hunt, John; Hutchinson, Edward; Ichord, Richard; Johnson, Albert; Johnson, Harold; Johnson, James; Jones, James; Karth, Joseph.

Kazen, Abraham; King, Carlton; Kluczynski, John; Kuykendall, Dan; Latta, Delbert; Leggett, Robert; Lujan, Manuel; McClory, Robert; McCloskey, Paul; McCollister, John.

McCormick, Mike; McDade, Joseph; McEwen, Robert; McFall, John; McKay, Gunn; McKinney, Stewart; Macdonald, Torbert; Madden, Ray; Mallary, Richard; Mann, James R.

Mathias, Robert; Mathis, Dawson; Meeds, Lloyd; Melcher, John; Metcalfe, Ralph; Miller, Clarence; Minish, Joseph; Mink, Patsy; Mizell, Wilber; Montgomery, G. V.

Moorhead, William; Morgan, Thomas; Mosher, Charles; Moss, John; Myers, John; Nelsen, Ancher; Nichols, Bill; Parris, Stanford; Patten, Edward; Pettis, Jerry.

Pickle, J. J.; Podell, Bert; Powell, Walter; Preyer, Richardson; Price, Robert; Quie, Albert; Rallsback, Tom; Randall, William; Regula, Ralph; Rees, Tom.

Robinson, J. Kenneth; Robison, Howard; Rogers, Paul; Rhodes, John; Roncallo, Teno; Roncallo, Angelo; Rooney, Fred; Rosenthal, Benjamin; Roush, J. Edward; Roy, William.

Roybal, Edward; Ruth, Earl B.; Sandman, Charles; Satterfield, David; Schneebeli, H. T.; Sebelius, Keith; Seiberling, John; Shriver, Garner; Shoup, Dick; Shuster, E. G.

Sisk, B. F.; Skubitz, Joe; Slack, John; Smith, Henry; Smith, Neal; Snyder, Gene; Spence, Floyd; Stanton, J. William; Stanton, James; Stark, Fortney.

Steed, Tom; Steele, Robert; Steelman, Alan; Steiger, William; Stephens, Bob; Stratton, Samuel; Talcott, Burt; Taylor, Roy; Thomson, Vernon; Thone, Charles.

Udall, Morris; Ullman, Al; Van Deerlin, Lionel; Vander Jagt, Guy; Vanik, Charles; Veysey, Victor; Vigorito, Joseph; Waggonner, Joe; Waldie, Jerome; Wampler, William.

Ware, John; Whalen, Charles; White, Richard; Whitehurst, G. William; Widnall, William; Wiggins, Charles; Wilson, Charles; Wilson, Charles H.; Williams, Lawrence; Winn, Larry.

Wright, Jim; Wylie, Chalmers; Yatron, Guy; Young, C. W.; Young, Don; Young, Samuel; Zablocki, Clement; Zion, Roger; Zwach, John.

Mr. BROYHILL of Virginia. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. Mr. Speaker, I associate myself with the remarks of the gentleman from Kansas (Mr. Skubitz) and rise in support of this legislation.

Mr. Speaker, in previous deliberations, Congress determined that the Government of the United States would protect the scenic view from the veranda of George Washington's home at Mount Vernon.

Therefore, the question before us today is not "if" but "how."

There is only one way, Mr. Speaker, and that is by fee acquisition of any and all property across the river from Mount Vernon known as the Piscataway Park area, which may now or in the future be savaged in a manner that will destroy the historic tranquillity and breathtaking beauty of Mount Vernon.

Millions of our citizens, Mr. Speaker, visit the Nation's Capital each year, young, old, the average American, distinguished citizens from abroad, the peo-

ple they represent who yearn to see the magic of democracy performing its miracles of freedom now and in another era.

The shrine of their hope is Mount Vernon.

The restoration of their faith is Mount Vernon.

The historic transcendence of respect for this country is Mount Vernon.

It was a vision of excellence that led George Washington to select Mount Vernon as the site of what became the Nation's eternal home.

It was a decision of excellence that led to its preservation and the actions of previous Congresses to see that that decision was sustained.

We here in this Congress can reaffirm that historic excellence by a similar act of excellence of our own today.

There are no cost-overruns involved in H.R. 4861, Mr. Speaker. We are not deliberating the intricacies of sophisticated missiles or computer-complex guidance systems to defend America.

We are talking about the meaning of freedom and their effort to preserve its visibility by an expenditure of \$4,900,000—a sum that probably would not cover the cost of cigarette sales in the District of Columbia in the month of February.

In 1966 and again in 1972 Congress turned its attention to what was going on across the river from the historic panorama of Mount Vernon.

Aroused private citizens were generous in their efforts of support to fend off commercial developers; twice Congress lent a hand. Subsequent developments have brought about the need for further congressional action, to meet the spawning efforts of commercialism some landowners contemplate despite the pleas of many of us for restraint.

What we thought we were taking were conclusive actions on two previous occasions but now we are threatened anew by the rising pursuit of Disneyland dollars.

We are the people's weapon in this assault on history, Mr. Speaker, you and me, this Congress, today.

The pink glow of a setting sun on the storied white columns of the veranda at Mount Vernon may soon be supplanted by the blood-red reflection of a neon "For Rent" sign from across the river.

The stillness of Mount Vernon that reduces visitors to whispered awe, unless we act, may well be violated by the shattering cacaphony of a battered calliope, forever disturbing the silence and reverence of those of us who are warmed by its purity.

The sweeping panorama of the Nation's historic front yard at Mount Vernon is a verdant testament that beauty is a rigid and eternal verity in our faith in our forefathers.

We will short-change every generation to follow us, Mr. Speaker, if we allow the periphery of this sanctuary to be marred by a water tower, an observation platform, the sights and sounds of a circus, the debris of neglect, the flaunting of history barely written for a growing nation. We are repelled by the destructiveness of radicalism yet what is

more radical than the devastation of a national monument.

We propose in H.R. 4861 no more, no less than the final solution to the nagging preponderance of commercial interest and activity across the Potomac River from Mount Vernon.

We propose in H.R. 4861, no more, no less than previous Congresses sanctioned. The purchase of that land which will round it out in final settlement, in a manner adequate to totally discourage further exploitation, of sufficient acreage to close the door on it forever.

We propose no more, no less, Mr. Speaker, in H.R. 4861, than an act of esteem on the part of those of us chosen to be the law-givers of this land, that history, like faith, is in constant need of renewal if it is to survive.

I am talking about 625.7 acres of land, Mr. Speaker, a speck of soil on the face of the earth, a dot in the millineum of man and the use he makes of it.

In its wisdom, the Committee on Interior and Insular Affairs of this Congress has approved, as amended, H.R. 4861.

In the meaning of its approval, it said to each Member of this Congress, to each patriot in this Nation, to each child in our schoolrooms, this is truly your land and mine, to hold in trust and faith, to protect and secure, to honor and respect, not only the dreams of freedom under democracy, but its environments as well.

Here today, Mr. Speaker, as Members of this Congress, we can say to a nation beset by the threshings and anxieties of tomorrow, a nation concerned and dubious as we near the anniversary of our 200th year of existence as the greatest Government and land on Earth, that growth and progress is meaningless if we obliterate our heritage in seeking it.

Our big issues, Mr. Speaker, our energy shortages, our cost of living and our ecology, concern us all. There are, however, minor essentials woven into the skin of democracy, as well as major ones.

It is our business not to neglect any of the essentials.

It is our obligation to strengthen each strand of our past as we study the canvases of our future.

It is our right and our duty to lay the hand of restraint on any facet of our progress which, by design or accident, mars the memory of the places and events we hold sacred.

H.R. 4861 adds to our strength and unity, our determination that we shall maintain for mankind, in probity and excellence, the shrines, that patriotic Americans have selected for their pilgrimages.

Surely, Mr. Speaker, Mount Vernon is preeminent and I urge favorable consideration of H.R. 4861 because it is, in community, commonsense and storied justice.

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

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

Mr. WILLIAMS. Mr. Speaker, I associate myself with the remarks made by my distinguished colleague, the gentleman from Kansas (Mr. SKUBITZ). I personally feel it would be a national disgrace to have the view from Mount Vernon ruined for all of our future generations, and I

certainly hope that this legislation receives most favorable consideration.

Mr. SKUBITZ. I thank the gentleman from Pennsylvania.

Mr. EVANS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Colorado.

Mr. EVANS of Colorado. I thank the gentleman from Kansas for yielding.

Mr. Speaker, in reviewing some of the matters in relation to this bill it came to my attention that most of the land which would be acquired is currently subject to scenic easements. Is that correct? Can the gentleman tell me that?

Mr. SKUBITZ. Some of it is subject to scenic easements, but there are 14 acres across from Mount Vernon and 157 acres adjacent that, which are not, and all of these are zoned commercially, and on these properties one can build structures up to 70 feet in height. As the report I cited from the Department says, such development would work an intrusion over the view. The Department, in its report, has told us that the Marshall Hall area was not visible from Mount Vernon.

Let me tell my colleagues that the best proof is a visit to the area. If I can stand at Marshall Hall and see Mount Vernon, the folks at Mount Vernon can surely see me.

Mr. EVANS of Colorado. I have just one other question that I would like to address to the gentleman. We are told that people in the area involved would not look kindly upon the property being developed for increased use on the part of the public. Can the gentleman give me any indication about the extent to which this would be true?

Mr. SKUBITZ. I do not have any indication of that. I wonder if the chairman of the subcommittee knows anything about that.

Mr. EVANS of Colorado. My question is that we have been told the people in the area would be very much opposed to any increased use of this land if it was acquired by the Government. Can the gentleman tell me what is the attitude of the people in the area in this respect?

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. I know some of the people in the area are for this project because some of them have talked to us. No person has indicated that they are against that.

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

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

Mr. WILLIAMS. I would like to say a commercial use that would permit structures 70 feet in height would certainly impose a much greater hardship on the residents presently living near this area. If my memory serves me correctly, we have some residential homes over there, single homes. We cannot compare them with 70-foot-high office buildings or high-rise apartments; so I think that by taking this step we are actually going to be protecting the residents of this area much more than if we do not take it.

Mr. EVANS of Colorado. Mr. Speaker, I have one final question—

Mr. SKUBITZ. May I say to my colleague, we have easement rights there on Marshall Hall. The Department paid \$8,100 an acre for easement rights, over one-third of its fee value, and the owner still operates his amusement park. He can repair it. He can do nearly anything he wants.

Now, what we are trying to do is to pay the difference between that and taking it over and get this thing cleared away once and for all.

Mr. EVANS of Colorado. That was my last question. To what extent will the price we are required to pay for this land be different from the price we have to pay for esthetic easements?

Mr. SKUBITZ. We paid \$8,100 an acre for easement rights on Marshall Hall, which is approximately 34 percent of its value, and we have nothing.

Mr. EVANS of Colorado. Does the gentleman have any assurance that the value we have already paid will be subtracted from what we are to pay?

Mr. SKUBITZ. Yes.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. JOHNSON) a member of the committee.

Mr. JOHNSON of California. Mr. Speaker, I rise in support of H.R. 4861. This matter has been before our committee for the past 16 years. I think we have developed a very good bill here and it will preserve the area across from Mount Vernon, as the previous speakers have stated. I think it is a very much needed piece of property on the Potomac River.

I went to join my colleagues today in support of the enactment of H.R. 4861, as reported by the Committee on Interior and Insular Affairs. As everyone knows, this legislation adds certain lands to the fee acquisition area of Piscataway Park—the area immediately across the Potomac River from Mount Vernon.

BACKGROUND AND OBJECTIVE

At the present time, the Federal Government owns fee title to 337 acres of land in the park and it holds scenic easements on 2,580 acres within the "scenic protection area." Originally, when the Congress considered the creation of this area in 1961, we expected much of the land and all of the easements to be donated and we anticipated prompt acquisition of the remaining lands in the fee acquisition area. In the years that have followed, some public-spirited individuals and organizations have donated some very valuable lands to the Government for the park, and many property owners have voluntarily granted scenic easements to the Government.

To complete the project, the Congress authorized increased appropriations for land acquisition on two separate occasions; however, those increases did not contemplate any change in the existing park plan. H.R. 4861, if enacted, will alter the existing program by adding six tracts of land to the fee acquisition zone and by providing for the immediate transfer of fee simple title to the Government.

NEED FOR ADDITION OF LANDS

Presently, some of the lands—including the 111-acre Marshall Hall Amusement Park and the 330-acre Tricent Corp. tract—are within the "scenic protection zone." Scenic easements on these properties have been purchased by the Government, but the amusement park will continue to operate even though it constitutes a serious incompatible use under the terms of the scenic easement unless the fee title is acquired. In addition, the present scenic control gives no right of public access or use of this area, even though it could include a reasonable access route to the riverfront area.

The remaining lands to be added to the park are entirely outside the present boundaries. Two of the tracts—one a 14-acre waterfront parcel and the other a 9-acre marina property—have already been zoned for commercial development in spite of the fact that they are visible from the Mount Vernon estate. Another tract—totaling 157 acres—is located adjacent to the Marshall Hall-Tricent tract and could be commercially developed in future years. In short, Mr. Speaker, most of the members of the committee felt that all of these properties should be acquired in fee in order to assure the protection of the immediate view from Mount Vernon indefinitely.

While the acquisition of the properties will enable the Government to remove the incompatible facilities in the area will permit better access to the riverfront area, and will eliminate the possibility of future development, it will also provide a significant addition to the modest land base presently in Federal ownership. The addition of these six tracts will increase the present Federal holdings by nearly 75 percent.

Of course, everyone knows that no Federal funds can be invested in lands which are not owned in fee by the United States unless Congress grants a specific exemption. I am hopeful that after these lands are acquired by the Park Service that a more aggressive program will be undertaken to make it useful to the public. Modest facilities—trails, picnic areas, and parking places—will make the park a real asset to the people of the Nation who wish to view Mount Vernon from the Maryland side of the Potomac and should not interfere with the scene as it is viewed from George Washington's home.

NEED FOR LEGISLATIVE TAKING

Mr. Speaker, during our deliberations there was a considerable amount of discussion about the legislative taking provision. While I recognize it is an unusual provision in legislation of this kind, I believe that the Members of the House will want this matter finally and fully settled. This park, as I said earlier, was authorized in 1961. Due largely to departmental footdragging and inadequate funding, it has lingered far too long and, consequently, it has been more costly to the taxpayer than seemed to be necessary. By requiring the immediate transfer of title, the Congress will assure the prompt settlement of the issue.

Naturally, we are interested in completing this program as inexpensively as

possible. Under the terms of the legislation, the owners will be entitled to just compensation as determined by the court—and the full faith and credit of the United States is pledged to satisfy any judgment. At the same time, Mr. Speaker, the United States will assume ownership so that this legislation will assure the completion of the essential ingredients of the park prior to the Nation's bicentennial celebration.

CONCLUSION

Mr. Speaker, our late colleague—Hon. John Saylor—was always the leader in the effort to preserve this area. He was the original sponsor of the legislation; he fathered it when it required further congressional action; and he sponsored the bill which is now before the House. No person had a greater interest in this area than the ranking minority member of the committee and I know he would be pleased to know that the gentleman from Kansas has assumed the responsibility for pursuing this matter.

I am pleased to join my colleagues on both sides of the aisle in urging the adoption of H.R. 4861, as amended.

Mr. TAYLOR of North Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. RANDALL).

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

I asked for this time to express my support for H.R. 4861. Also, I think a compliment is in order for both the floor manager, the gentleman from North Carolina, and also for the ranking minority member of the subcommittee, the gentleman from Kansas (Mr. SKUBITZ).

It seemed to me that every time I ran into the gentleman from Kansas this past fall, he asked me again to sign a letter he carried around with him. It was a letter to the Secretary of the Interior urging preservation of Piscataway Park. We assured him that we had already signed his letter. But each time he looked at the list of Members to be sure our name was there. Each time I looked just as carefully to see if the letter pertained to Piscataway Park across from Mount Vernon.

All of us have been up and down the hill on the so-called Mount Vernon view. The gentlewoman from Ohio, Mrs. Bolton, worked hard on this project for several years.

Mr. Speaker, I was amazed to read the content of the dissenting views in the report submitted by four members of the committee. Surely they would not want to settle for a scenic easement when the purchase in fee would let this land be owned as a national park and part of our national heritage.

I note that this 625 acres to be purchased in fee may cost \$4 million. That may seem high but if we wait much longer, it will cost a lot more than that.

The time to act is now. We want to preserve the view from Mount Vernon. We want to preserve both views, the view to Mount Vernon from across the river and the view from Mount Vernon to the other bank of the Potomac as it was in Washington's day.

Mr. Speaker, I congratulate the Members on both sides of the aisle for their work, and associate myself with the re-

marks made by both the ranking minority Member and by the floor manager.

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

Mr. O'HARA. Mr. Speaker, it is a matter of regret to me that the backers of H.R. 4861 have seized upon the good name of the Honorable John P. Saylor from Pennsylvania, a good conservationist, now deceased, to gain support for this bill.

I agree with the principle objectives of the 1961 legislation which created Piscataway National Park—the preservation and protection of the historic, cultural, and recreational values of the lands situated along the Potomac River, which may be viewed from George Washington's Mount Vernon.

My major objection is that H.R. 4861 does not address itself to the issue of developing the park for general citizen use. In the 12 years since the creation of Piscataway Park, there has been no development of its recreational and cultural aspects for the general public. In fact, the Park Service has apparently retreated from its plan to develop the park and is now calling Piscataway an "ecologically fragile" area.

There have been repeated objections by the owners of adjacent private land to the development of the park. The local property owners have even objected to a proposed 5-car parking area within the park. The public is largely unaware of their right to gain access to Piscataway Park to view Mount Vernon because adequate guide signs are rare.

The general public should have easy access to Piscataway Park before we spend over \$10.5 million on acquiring new land, much of which is out of the sight of Mount Vernon and is not contiguous to the original park. The purchase of new property in fee may be justified, if Piscataway Park is to be developed into a recreational area with trails, picnic sites, and camping facilities. But if the park will be merely a scenic background for Mount Vernon and a private domain of the local property owners, then scenic easements of the kind now imposed on some of the property proposed for acquisition in fee ought to be sufficient.

John Saylor should be recognized with some worthwhile and lasting project, not by an expenditure of funds that later, less-involved observers may consider a waste of the taxpayers' dollars.

Mr. VANIK. Mr. Speaker, I rise in support of this legislation to insure the protection of the scenic view from Mount Vernon and to provide for additional public lands along the Potomac. It is my hope that the Department will develop this area in a sound environmental manner to permit its recreational use by the public.

In considering this legislation today, we are all reminded of its sponsor, our late colleague, the very distinguished gentleman from Pennsylvania Mr. Saylor, and of all the fine conservation work which marked his career in the Congress.

But I would also like to mention today that there would be no Piscataway Park, there would be no view from Mount Vernon for us to protect if it had not been for our former colleague, my distinguished predecessor, the Honorable

Frances P. Bolton of Ohio. Mrs. Bolton, who served here for 28 years, did more to insure the preservation of the open areas around Mount Vernon than anyone else.

I would like to quote for a minute from a speech which Congresswoman Bolton made several years ago describing the work of the Mount Vernon Ladies' Association of the Union:

FROM A SPEECH BY CONGRESSWOMAN FRANCES P. BOLTON

Many years ago, we set out to protect the visual environment of Mount Vernon, America's number one historical shrine.

Up to that time, preservation was primarily in private hands. For example, a century ago, Mount Vernon itself was offered to both the Federal government and the State of Virginia.

Both refused.

A frail woman, Ann Pamela Cunningham undertook the task, and created the Mount Vernon Ladies' Association of the Union. This private group purchased and still preserves this national shrine.

Miss Cunningham's parting injunction was, "Let one spot in this grand country of ours be saved from change. Upon you rests this duty."

In 1955, an oil tank farm was projected for this spot where we stand in the center of the view that thrills millions of visitors each year.

As Vice Regent from Ohio of the Mount Vernon Ladies' Association, I used some funds which had come to me by inheritance, to acquire the property to preserve it.

This was just the beginning. During the next few years, additional land was acquired by the Accokeek Foundation.

Then an unthinking local agency determined to condemn the land we sought to preserve to use for a sewage treatment plant. The Moyacone Association and the Alice Ferguson Foundation joined with us to seek a solution to this catastrophe.

No private entity could withstand that threat.

No help was available from local or state governments. This forced the Congress to counter the local threat. In 1961, the area was delineated as a National Park, based on lands to be donated by the Foundations along the river front, and donations by private owners of scenic easements on a much greater area.

It is a modest statement—but it is a clear statement of our colleague's own personal work and expenditure to save this parkland.

What we do here today helps build on the work which she so competently began.

GENERAL LEAVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 4861.

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

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from North Carolina (Mr. TAYLOR) that the House suspend the rules and pass the bill H.R. 4861, as amended.

The question was taken.

Mr. RANDALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 334, nays 4, not voting 91, as follows:

[Roll No. 13]

YEAS—334

Abdnor	Edwards, Calif.	McDade
Abzug	Ellberg	McFall
Adams	Erlenborn	McKay
Alexander	Esch	Madigan
Anderson,	Evans, Colo.	Mahon
Calif.	Evins, Tenn.	Malliard
Anderson, Ill.	Fascell	Mallory
Annunzio	Findley	Martin, Nebr.
Archer	Flood	Matsunaga
Arends	Flowers	Mazell
Armstrong	Flynt	Mazzoli
Ashley	Foley	Meeds
Aspin	Ford	Melcher
Baker	Forsythe	Mezvinsky
Barrett	Fountain	Michel
Bauman	Frelinghuysen	Millford
Beard	Frenzel	Miller
Bennett	Frey	Minish
Bergland	Fulton	Mitchell, Md.
Bevill	Gaydos	Mitchell, N.Y.
Biaggi	Giaino	Mizell
Blester	Gibbons	Moakley
Bingham	Gilman	Montgomery
Blackburn	Ginn	Moorhead,
Blatnik	Gonzalez	Calif.
Boggs	Goodling	Moorhead, Pa.
Boiland	Grasso	Morgan
Bolling	Green, Oreg.	Mosher
Bowen	Green, Pa.	Moss
Bray	Griffiths	Murphy, Ill.
Breaux	Gross	Murphy, N.Y.
Brinkley	Grover	Myers
Brooks	Gude	Natcher
Broomfield	Gunter	Nedzi
Brotzman	Guyer	Neisen
Brown, Calif.	Hamilton	Nichols
Brown, Mich.	Hanley	Nix
Brown, Ohio	Hanna	Obey
Broyhill, N.C.	Hanrahan	O'Brien
Broyhill, Va.	Hansen, Idaho	O'Neill
Buchanan	Harsha	Owens
Burgener	Hastings	Patman
Burke, Fla.	Hawkins	Patten
Burke, Mass.	Hays	Perkins
Burleson, Tex.	Hébert	Pettis
Burlison, Mo.	Hechler, W. Va.	Peyster
Burton	Heinz	Pike
Butler	Helstoski	Poage
Byron	Henderson	Poell
Camp	Hicks	Powell, Ohio
Carney, Ohio	Hillis	Preyer
Carter	Hogan	Price, Ill.
Casey, Tex.	Holfield	Price, Tex.
Cederberg	Holt	Pritchard
Chamberlain	Holtzman	Quie
Clancy	Horton	Quillen
Clark	Hosmer	Rallsback
Clausen,	Howard	Randall
Don H.	Huber	Rangel
Clawson, Del	Hudnut	Rarick
Clay	Hungate	Rees
Cleveland	Hunt	Regula
Cochran	Hutchinson	Reuss
Cohen	Ichord	Riegle
Collier	Jarman	Roberts
Collins, Tex.	Johnson, Calif.	Robinson, Va.
Conable	Johnson, Colo.	Robison, N.Y.
Conlan	Johnson, Pa.	Roe
Coughlin	Jones, N.C.	Rogers
Crane	Jordan	Roncallo, Wyo.
Daniel, Dan	Karth	Roncallo, N.Y.
Daniel, Robert	Kastenmeier	Rooney, Pa.
W., Jr.	Kazen	Rosenthal
Daniels,	Kemp	Rostenkowski
Dominick V.	King	Roush
Danielson	Koch	Rousselot
Davis, S.C.	Kuykendall	Royal
Davis, Wis.	Kyros	Ruppe
Delaney	Landgrebe	Ruth
Dellenback	Landrum	Ryan
Denholm	Latta	St Germain
Dennis	Lehman	Sandman
Dent	Lent	Sarasin
Derwinski	Litton	Sarbanes
Devine	Long, La.	Satterfield
Dickinson	Long, Md.	Scherle
Dingell	Lott	Schneebell
Downing	Lujan	Schroeder
Drinan	McClary	Sebelius
Duncan	McCloskey	Seiberling
du Pont	McCollister	Shpley
Edwards, Ala.	McCormack	Shoup

Shriver	Talcott	Wiggins
Shuster	Taylor, Mo.	Williams
Sikes	Taylor, N.C.	Wilson, Bob
Sisk	Teague	Wilson,
Skubitz	Thompson, N.J.	Charles H.,
Slack	Thomson, Wis.	Calif.
Smith, Iowa	Thone	Wilson,
Spence	Thornton	Charles, Tex.
Stanton,	Tiernan	Wolf
J. William	Udall	Wright
Stanton,	Ullman	Wyatt
James V.	Vander Jagt	Wylie
Steed	Vanik	Wyman
Steelman	Vigorito	Yates
Steiger, Wis.	Waggonner	Yatron
Stephens	Waldie	Young, Alaska
Stokes	Walsh	Young, Fla.
Stratton	Wampler	Young, Ill.
Stubblefield	Whalen	Young, Tex.
Studds	White	Zablocki
Sullivan	Whitehurst	Zion
Symington	Whitten	Zwach
Symms	Widnall	

NAYS—4

O'Hara Towell, Nev. Treen

Steiger, Ariz.

NOT VOTING—91

Addabbo	Fish	Mathis, Ga.
Andrews, N.C.	Fisher	Metcalfe
Andrews,	Fraser	Mills
N. Dak.	Froehlich	Mink
Ashbrook	Fuqua	Minshall, Ohio
Badillo	Gettys	Mollohan
Bafalis	Goldwater	Parris
Bell	Gray	Passman
Brademas	Gubser	Pepper
Brasco	Haley	Pickle
Breckinridge	Hammer-	Reid
schmidt		Rhodes
Burke, Calif.	Hansen, Wash.	Rinaldo
Carey, N.Y.	Harrington	Rodino
Chappell	Heckler, Mass.	Rooney, N.Y.
Chisholm	Hinshaw	Rose
Collins, Ill.	Conte	Roy
Conyers	Jones, Ala.	Runnels
Corman	Jones, Okla.	Smith, N.Y.
Cotter	Jones, Tenn.	Snyder
Cronin	Ketchum	Staggers
Culver	Kluczynski	Stark
Davis, Ga.	Leggett	Steele
de la Garza	McEwen	Stuckey
Dellums	McKinney	Van Deerin
Diggs	McSpadden	Veysey
Donohue	Macdonald	Ware
Dorn	Madden	Winn
Dulski	Mann	Wylder
Eckhardt	Maraziti	Young, Ga.
Eshleman	Martin, N.C.	Young, S.C.
	Mathias, Calif.	

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

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Andrews of North Carolina.

Mr. Kluczynski with Mr. Breckinridge. Mr. Macdonald with Mrs. Burke of California.

Mrs. Hansen of Washington with Mr. Rhodes.

Mr. Chappell with Mr. Snyder. Mr. Carey of New York with Mr. Steele.

Mrs. Chisholm with Mr. McSpadden. Mr. Cotter with Mr. Smith of New York.

Mr. Dulski with Mr. Rinaldo. Mr. Donohue with Mr. McEwen.

Mr. Staggers with Mr. Andrews of North Dakota.

Mr. Reid with Mr. McKinney. Mr. Rosenthal with Mr. Ashbrook.

Mr. Pickle with Mr. Hammerschmidt. Mr. Fuqua with Mr. Rostenkowski.

Mr. Brasco with Mrs. Heckler of Massachusetts.

Mr. Brademas with Mr. Bafalis. Mr. Badillo with Mr. Conyers.

Mr. Addabbo with Mr. Bell. Mr. Harrington with Mr. Diggs.

Mr. Dellums with Mr. de la Garza. Mr. Davis of Georgia with Mr. Hinshaw.

Mr. Culver with Mr. Conte. Mr. Metcalfe with Mr. Eckhardt.

Mr. Dorn with Mr. Eshleman. Mr. Mathis of Georgia with Mr. Minshall of Ohio.

Mr. Leggett with Mr. Cronin. Mr. Jones of Alabama with Mr. Parris.

Mr. Gray with Mr. Fish.

Mr. Mollohan with Mr. Martin of North Carolina.
 Mr. Jones of Tennessee with Mr. Froehlich.
 Mr. Roy with Mr. Maraziti.
 Mr. Rodino with Mr. Goldwater.
 Mr. Stark with Mr. Ware.
 Mr. Van Deerlin with Mr. Young of Georgia.
 Mr. Mann with Mr. Passman.
 Mr. Pepper with Mr. Mathias of California.
 Mr. Mills with Mr. Winn.
 Mrs. Mink with Mr. Rose.
 Mr. Runnels with Mr. Young of South Carolina.
 Mr. Stuckey with Mr. Wydler.
 Mrs. Collins of Illinois with Mr. Fraser.
 Mr. Haley with Mr. Fisher.
 Mr. Corman with Mr. Gettys.
 Mr. Jones of Oklahoma with Mr. Madden.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BOB WILSON. Mr. Speaker, during the first quorum call today I was in the Chamber, but inadvertently failed to record my presence by placing my card in the electronic voting machine. I would like the RECORD to show that I was present.

DENT PROPOSES OIL SUBSIDY TO CONSUMER

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

Mr. DENT. Mr. Speaker, all of us are floundering around while conditions get increasingly worse. I was advised this morning, coming down the turnpike, that they have enough gas for probably 48 hours in the whole length and breadth of the Pennsylvania Turnpike. Pennsylvania will be out of gasoline. There is hardly a car made that can go that length of road without refueling, and if we get off at any of the substations along the way to get gas, we do not get it simply because of the fact that we are strangers to everybody along that road. It is just a question of whether or not we are going to be able to go back and forth to attend to our duties or have to stay down here. Some of us have gone home practically every weekend since we have been Members of Congress.

At the same time, Mr. Speaker, I think it is important that we know that nothing has really been done to hit the serious problem that faces all, and that is the high price and inflationary spiral caused by the action of other countries, not of our own. Therefore, I ask—and tomorrow we have a press conference on the rollback of prices to the consumer—to have the U.S. Government set up an agency, a brokerage agency, that shall be run by the Government, and it will buy oil from wherever we have to buy it, domestically and foreign. At the same time that oil or the crude oil will be sent to the refineries, and all of the products therefrom will be rolled back to the price they were Day 1 of the embargo.

Mr. Speaker, in an effort to halt rapidly escalating costs of fuel, I have today proposed a three-point price rollback

scheme. Included in my proposal is a subsidy for the consumer of oil products. The subsidy would be financed through a surcharge, levied by the Commerce Department, on imports determined to have an unfair competitive advantage in the American market because of the energy crisis. To implement my proposal, I suggest three actions.

First, authorize the U.S. Government to act as sole broker and buy short supply energy oils and derivatives at the current selling price; second, authorize the same agency to sell the oil to consumers at preembargo prices; third, authorize the Commerce Department to levy surcharges on all imports determined to have an unfair competitive advantage because of the fuel shortage. Any loss to the Treasury, incurred by the subsidy to the consumer, would be compensated by these surcharges.

Having little patience for the administration's energy policy, I pointed out that the Federal Energy Office, headed by William Simon, has totally decontrolled the prices of so-called new oil, together with an equivalent amount of old oil, or so-called released oil. This oil is now selling at an average of \$10.35 a barrel—more than twice the level industry estimated a year ago to be necessary for maximum self-sufficiency and about 50 percent higher than the level Mr. Simon himself believes could be useful in eliciting new supply.

No one in the administration has offered any serious justification for either the jump in old oil prices or for decontrolling new oil. What seems to be at work is a continuing conviction that the way to eliminate the fuel shortage is to increase prices—by taxes or otherwise—high enough to limit demand by pricing gasoline and fuel oil beyond the reach of many Americans. These alternatives are unacceptable to me.

The spiraling rate of inflation must be brought under control at the source; if this is not done, the rapid acceleration in prices of raw materials will mean billions of dollars in inflated prices to the American consumer, who can ill afford it, and to the Government, whose source of money is the American taxpayer.

Nations still in good graces with the oil producing countries will gain another advantage in the way of a greater share of the American marketplace, both domestically and abroad.

What the rest of the world does not seem to understand is that this country has not lost its will to survive, and that we still have the ability to remain a free and independent nation.

I have advised Senator HENRY JACKSON, whom I consider one of the outstanding experts in this crisis, of my proposal, and pointed out to JACKSON that this kind of plan is not new. We have invoked emergency measures in international trade relations and have protected agricultural products with a subsidy for many years. It is highly appropriate, in the face of high profits by the oil companies and prices moving beyond the reach of many Americans, that the Federal Government do something to protect the consumer.

Related material follows:

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA—UAW,

February 1, 1974.

DEAR REPRESENTATIVE: We estimate that more than 100,000 members of the UAW are on indefinite lay-off right now, with many more to come. Hundreds of thousands more are on short work weeks or have suffered one- or two-week lay-offs. The situation will get worse and the effects of the increasing unemployment in the automobile industry are bound to radiate to other industries.

These hard facts make a mockery of President Nixon's promise that recession will be averted. For auto workers, the recession is already upon us.

Prompt Congressional action to provide public service jobs, improve unemployment compensation and place temporary curbs on automobile imports is essential to prevent severe hardship for workers and their families. I urge every Member of Congress to move vigorously on these problems in this critical moment.

For your information, I am enclosing a statement on unemployment unanimously adopted by our International Executive Board on January 30, 1974.

Sincerely yours,

LEONARD WOODCOCK,
 President, International Union, UAW.

UAW STATEMENT ON UNEMPLOYMENT

The worker who loses a job is more than a statistic. The loss of the breadwinner's income is stark human tragedy. Nothing is of greater concern to UAW members and their families than jobs. No matter how wide the range of the interests of the UAW, our first priority is and always has been jobs and security for our members.

We are not doomsayers but we are realists. We must face the facts. The unemployment picture in some sections of the auto industry is worse now than it has been at any time since the great depression of the thirties.

On the basis of very early and incomplete reports from the different parts of our Union, we estimate conservatively that there already are more than a hundred thousand UAW members laid off indefinitely. In addition tens of thousands see their plants totally shut down for varying periods of time. The truth is that there is the potential of catastrophic unemployment for workers in general, and automobile workers in particular.

Unbelievably, while unemployment rates threaten to go through the ceiling, the rate of inflation continues to break all records, as our people lose income, prices for the necessities of living soar. There are even threats of a dollar for a loaf of bread and a dollar for a gallon of gas. Once again workers are the chief victims.

While the workers bear the brunt of both galloping inflation and mounting unemployment, the whole society is in jeopardy. Should unemployment nationally hit the 8 to 10 percent range, we face not recession but depression.

While the huge oil companies show profits as much as 60 percent higher than a year ago, the unemployment rate increased about 9 percent in December to 4.9 percent after reaching a Nixon "low" of 4.5 percent in October. The rapidly deteriorating economic situation has recently added about 400,000 people to the ranks of the jobless and these ranks of the unemployed are growing daily. UAW members are among the hardest hit. Company reports of additional layoffs keep pouring in almost hourly; the latest indications are that auto workers in the hundreds of thousands could be affected in the coming months—a substantial proportion of them indefinitely. We are already well into a cold economic winter.

All of this didn't happen by accident. Nor is the energy crunch the whole cause.

We are in this terrible shape not only because of the energy shortage, but also because under President Nixon we have lived with programs of economic nonsense, instead of economic sense. As the Administration doffed its hat to politically supportive industries, it actually planned unemployment for workers. Phases I through 4 were economic nightmares. Just imagine what Phase 5 will do to us. The Administration coupled inept, contradictory and inequitable economic policies with a public relations program of infantile optimism. Every piece of bad news was alibied and the future was always seen through rose-colored glasses. Practically every economic prophecy by Nixon and his aides has proven wrong.

The energy shortage itself is, of course, the major determinant in the continually worsening unemployment picture. The Nixon Administration has been inept and almost criminally negligent in failing to prepare adequate programs to meet long anticipated problems, including petroleum shortages. It has been guilty of shifting positions. It has, as yet, refused to probe the secrets of the big oil companies. Prices for energy soar. Administration spokesmen promote scare headlines and panic buying. Misinformation is heaped on misinformation.

We cannot restrain our shock when we focus on the federal government's slashing of the administrative budgets of the state unemployment agencies at the very moment unemployment is mushrooming. In Indiana, where there are thousands upon thousands of unemployed workers, a million dollars was cut from the administrative budget of the agency. In Ohio, the government imposed a similar cut of \$1.4 million. In Michigan it was a million, six hundred thousand dollars, announced when the number of new claims filed during one week in the state was up 45 percent over the same week a year ago. Instead of more dollars with which to meet astronomically multiplying claims, this Administration decided to cut budgets.

The UAW demands a national commitment to solve immediately the urgent problem of massive unemployment. There must be both short range and long range actions. They must be bold and innovative. If the Administration will not or cannot furnish leadership, the Congress must.

While we work out a total national program, there are immediate steps we must take.

ESTABLISH TEMPORARY QUOTAS ON VEHICLE IMPORTS

We are, after all, automobile workers. We know that in 1964 there were 484,100 imported automobiles sold in this country; a figure that grew in ten years to 1,773,779 units in 1973. With the dollar strengthening in the international currency market, it now seems likely that the old 360 Yen relationship to the dollar and a similar relationship to the Deutschmark will be re-established. As unemployment in automobile and related industries rises precipitously, there seems to be only one immediate answer to the problem of imports.

We must institute temporary quotas on automobile products imported from outside North America. We emphasize temporary, because these quotas must exist only long enough to prevent severe hardship in this country. We therefore will ask the Congress for federal legislation which will keep auto imports, during this crisis period, from growing beyond the percentage of imports to sales averaged over the past three years. Automobile workers and their families must have that minimal protection to survive.

The temporary quotas on imports must apply both to "captive" imported vehicles manufactured abroad by U.S. companies as well as those made by foreign manufacturers. U.S. companies must not be permitted to glut the market with their foreign produced

cars while they lay off thousands of American workers at home.

The temporary quotas will help to preserve some auto workers' jobs and will, therefore, not only alleviate human suffering, but maintain purchasing power so sorely needed to keep the economy from sagging further.

As temporary quotas on imports are established, U.S. auto companies must not be permitted to relax their efforts to embark on a crash program converting increased proportions of their production to small car manufacture and implementing known techniques for greater fuel economy.

DEVELOP A FEDERAL PROGRAM OF PUBLIC SERVICE JOBS

On the broader level, we will seek also a massive federal program of public service jobs to give work to the growing numbers of unemployed. Here again, to emphasize the temporary nature of this short range, quick solution to the problem of massive unemployment, the number of these jobs should be tied directly to the rate of unemployment. This sliding scale concept—tying the number of public service jobs to the percentage of unemployed—would avoid building unnecessary numbers of federal job holders. Thus, when unemployment rose to eight percent there would be more public jobs to take up the slack, and each time the rate fell, the number of jobs would be cut.

We need a revitalized public employment program patterned after but stronger than the program approved and implemented in 1971. Those programs contained a triggering mechanism which set it off whenever the national unemployment rate went over 4.5 percent or unemployment in a local area exceeded 6 percent. This could be extended so that the degree of assistance would be graduated by the severity of unemployment in particular regions. There are innumerable tasks which could be undertaken by those publicly employed.

PROVIDE SPECIAL FEDERAL FUNDS TO HARD HIT AREAS

In particularly hard-hit areas, there is a strong justification for the federal government to spend money in the way of grants to communities which may have never experienced this sort of plight before and that are financially ill-equipped to deal with it. In 1972 the federal government, through salaries, contracts, welfare, and other expenditures, accounted for a smaller percentage of the total personal income of Michigan residents than it provided for the residents of all other states; Illinois, Indiana, and Ohio ranked only slightly higher. If the government is at all sensitive to the people's needs, these states should find themselves at the top rather than the bottom of federal expenditures in the period immediately ahead.

MICHIGAN—A SPECIAL CASE

Michigan is the heartland of the UAW. We cannot discuss unemployment and its cures only in national terms. Michigan is critical not only to auto workers; it is critical also to the national economy.

Unemployment is increasing dramatically in Michigan. Flint, Michigan at this moment, is nearing depression levels of unemployment. The prognosis in Michigan is, of course, much worse than the present actuality. In 1958 we had more than 409,000 unemployed workers in Michigan, but we believe 1974 could make 1958 look like a good year.

Michigan's Governor Milliken, however, has shown the same lack of regard for workers as Mr. Nixon. Despite the 380 million dollar tax cut last year, now, in an election year, Governor Milliken proposes to slash another 107 million dollars in tax funds by new amendments for tax credits.

The game Milliken is playing is easy enough to understand. He underestimates and miscalculates the budget—especially the social

services budget, which according to him would increase in this time of dire need less for the coming year than it did for the last. Then if the legislators fill in the gaps he has left, like Mr. Nixon, he can label them "Big spenders," and the latest 107 million dollar tax gift to industry and others will have evaporated because the legislature exceeded his budget. But even if his budget were honest and reasonable, this is no time to reduce taxes. Any leader who would cut taxes when the state is on the brink of economic disaster is playing politics at the expense of the people.

We therefore urge the Michigan legislature to reject the Governor's grandstand play. Refuse his tax cut. Make his budget realistic. Institute a constructive state program to give work to people and a future to the state.

STATE PUBLIC SERVICE PROGRAMS

Michigan and other states threatened with a disastrous increase in unemployment must establish programs of public service employment. If the unemployed were offered work by the state in a crash program at prevailing wages, we could do wonders. We could help people retain their dignity. We could clean up our communities. We could make our cities livable. We could repair our streets, highways and sidewalks. We could fill the chukholes. We could beautify our environment. We could renovate and improve recreational facilities, particularly those adjacent to and within major cities and towns. Deteriorating railroad beds could be renovated and repaired. We could construct and operate recycling depots. All of this could be done—programs socially constructive, labor intensive and which will contribute to the easing of the energy problem.

PROVIDE SUFFICIENT FUNDS TO ADMINISTER UNEMPLOYMENT ASSISTANCE PROGRAMS

There are priority items which can't wait for a total program. All of the money cut from the administrative budgets of the state unemployment agencies must be restored immediately. But that is only the beginning. Budgets of such agencies must be increased realistically to take care of the fast multiplying numbers of our out of work people. Benefit levels and duration periods for unemployment compensation must be federally strengthened, improved and extended. There should be 52 weeks of benefits in every state faced with major unemployment problems.

These things must be done forthwith. After we have accomplished those first steps we can go to work on a total set of instruments to avoid human suffering and economic disaster.

In time of urgency, workers like other Americans, look to their national leaders for answers. They want leadership. They want action.

In the Nixon administration they find more than confusion, lack of credibility, callousness toward their plight, and primary concern for big business which provided the money to wage Nixon's election campaign.

In the current void of national leadership, the UAW issues this urgent call for action by the President, Congress and state governments.

COUNTDOWN ON CONTROLS—WAGE EARNERS SUFFER MORE THAN SHARE

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

Mr. STEELMAN. Mr. Speaker, wage and price controls have not worked across the board, but wage earners have paid more than their share. Most labor organizations have voluntarily acted

most responsibly only to see their gains erased by inflation.

The following article from the Washington Post is a classic example of the failure of wage and price controls to help wage earners:

PRICES ROSE FASTER THAN PAY, UNITED STATES SAYS

(By Peter Millius)

The government said yesterday that rising labor costs began putting added upward pressure on prices in the last quarter of last year—but that compensation per hour still did not keep up with rising prices.

The Labor Department said that output per man-hour declined in the last quarter of the year at an annual rate of 1.3 per cent.

But the department said compensation per man-hour continued to increase, at an annual rate of 8.0 per cent for the quarter.

That combination produced an even greater increase in so-called unit labor costs, the labor costs per unit of production, which are an important index of inflationary pressures in the economy.

These unit labor costs rose at an annual rate of 9.3 per cent for the quarter, as against only 6.9 per cent in the quarter before.

At the same time, however, real compensation per man-hour—pay and benefits after allowing for inflation—declined at an annual rate of 1.7 per cent over the three months.

The statistics suggest that wage increases were not much of a factor in inflation last year; they did not keep up with prices. A number of experts have predicted that they could become a factor this year, though, as labor tries to make up the lost ground.

The decline in output per man-hour in the fourth quarter had been generally expected. Such a decline usually comes at the end of a boom, when factories are straining to increase production but are already running close to capacity.

The Commerce Department yesterday suggested, moreover, that no great further increase in production is in sight for now.

The department said its index of leading economic indicators, a supposed harbinger of the economic future, rose only 0.1 per cent in December.

Of the eight leading indicators available for the month, the department said, five pointed downward, one was unchanged from the month before, and only two pointed upward.

Those two, moreover, were both reflections of inflation as much as growth in output—industrial-materials prices and the price-labor cost ratio.

The five indicators that pointed downward were initial claims for unemployment insurance new orders for durable goods, contracts and orders for new plant and equipment, stock prices and building permits. The average work week was unchanged.

The Labor Department said that output per man-hour—or productivity, as it is also called—has now failed to rise appreciably for three quarters in a row. It went up at an annual rate of 5.8 per cent in the first quarter of last year, but fell by 1.2 per cent in the second and rose at a rate of only 0.4 per cent in the third.

For the year as a whole, it rose 2.9 per cent, about average for the U.S. economy.

The department said that, for the year, compensation per hour rose 1.4 per cent. That includes fringe benefits as well as wages.

Unit labor costs rose 4.7 per cent for the year, the department said. What are known as "union non-labor payments," the part of the pie that includes profits, rose 6.4 per cent.

EISENHOWER CIVIC CENTER

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

Mr. BROYHILL of Virginia. Mr. Speaker, I wish to express my enthusiastic support for the endorsement of the construction of the Dwight D. Eisenhower Memorial Bicentennial Civic Center here in the Nation's Capital. This project is authorized by Public Law 92-520, approved on October 21, 1972. This law provides, however, that no purchase contracts for the construction of the Center shall be entered into until 30 legislative days following approval of the design, plans, and specifications of the project, including established cost estimates, by the District of Columbia Committees and the Appropriations Committees of the House and the Senate.

For the past 5 years, I have worked for the enactment of legislation which would authorize a suitable, living memorial to the late President Dwight D. Eisenhower in the District of Columbia, in whose civic welfare he took such a strong and active interest.

The plan is for a Convention and Civic Center on approximately 10 acres in an urban renewal area in the Mount Vernon Square area, adjacent to downtown Washington, a site bounded by Eighth Street, H Street, 10th Street, New York Avenue, and K Street. This site was selected as a result of a coordinated study by Federal and local agencies, which concluded that it would be the most advantageous location in the city from the standpoint of compatibility with the objectives of the local urban renewal and comprehensive plans. I am informed that at least 85 percent of the properties in the site can be purchased from willing sellers and that more than 25 percent of the site is vacant. Full relocation benefits will be provided for the households and businesses which will be displaced by the project, with the relocations to be managed by the Redevelopment Land Agency.

This site will be ideal from the standpoint of accessibility to both automobile and mass transit facilities. The center will be conveniently served by two stations of the Metro rail rapid transit system, both of which are to become operational by 1976. Also, the city's current and proposed highway system will provide excellent service to the center. And further, this downtown location will greatly facilitate transportation to the center for conventioners arriving by rail, bus, or air.

The center is to include a main exhibit hall of some 300,000 square feet, as well as a number of meeting rooms to serve a large variety of uses. Thus, the facility will accommodate even the largest national conventions, and will also serve such purposes as flower shows, boat and automobile shows, and other types of exhibits and civic gatherings.

Since this authorizing legislation was enacted, an advisory committee, whose membership included many of the leading businessmen and community leaders in the District, was formed to review the plans for the center and to provide continuing advice as the plans were developed.

In addition, a non-profit corporation, known as the Eisenhower Center Corporation, has been formed to provide the financing for this project at the lowest possible cost to the District of Columbia

taxpayers. This corporation has borrowed some \$600,000 from several local banks as an unsecured loan to provide funds for the development of the plans. When final approval of the project is obtained, this corporation will issue non-taxable bonds in an amount sufficient for the construction and equipment of the center, and the District of Columbia government will assume responsibility for the payment of the interest and principal on the bonds. The center will be leased to the city by the corporation, and at the end of a period of 30 years, when the bonds have been retired, title to the center will be vested in the District of Columbia. The reason for this financing structure is that under present law the District of Columbia government is not authorized to issue bonds. The total cost of the project, for construction and equipment, is presently estimated at approximately \$80 million. The annual costs of paying off the bonds is estimated at \$5.5 million, and the annual operating cost at \$1.7 million, for a total annual cost to the District of \$7.2 million. It is estimated, however, that rental fees will total some \$2.5 million, and the city estimates that the center will generate additional property, hotel use, and income taxes of at least \$5.7 million annually. If these figures prove correct, the operation of the center will accrue a net annual profit to the city of approximately \$1 million. An indication that these estimates may indeed be realistic is the fact that since the enactment of the authorizing legislation for the center, one new hotel has been placed under construction in the area of the proposed site, another has been committed, and a third presently existing hotel has announced plans for a major expansion. This early interest in commercial development in the area, plus the fact that three local banks collaborated in advancing an unsecured loan of more than half a million dollars for the planning of the center, are strong indications of the financial viability of this project.

The Eisenhower Center will enable the District of Columbia for the first time to attract major national and international conventions. These conventions will generate new jobs and new tax revenues for the District, and will also place our Nation's capital in its proper image as host to these important gatherings. Further, in addition to encouraging thousands of citizens from all parts of the Nation to visit their capital city, the development of the Eisenhower Civic Center will spur the revitalizing of a rapidly deteriorating section of the District of Columbia. Many Federal and city officials, as well as numerous local business and community groups, have repeatedly stressed the importance of this project to create new economic and social vitality in the central core of this city.

When Public Law 92-520 was enacted more than a year ago, it was hoped that this center might be completed in time for the upcoming 1976 Bicentennial celebration. Unfortunately, it does not appear now that the facility can be completed in time for that occasion. However, this in no way diminishes the urgent need and justification for the prompt approval and construction of this

Dwight D. Eisenhower Memorial Civic Center.

The House Committee on the District of Columbia apparently will be the first of the four committees, whose approval for this project is needed, to take action on this matter. I urge my colleagues on this committee to lead the way for approval of this project by unanimous vote.

FOREIGN SERVICE ASSOCIATION COMMENTS ON CONSULAR AC- TION FOLLOWING CHILEAN COUP

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

Mr. FASCELL. Mr. Speaker, in the wake of the chaos which followed the Chilean coup of September 11, 1973, there have been a great number of allegations made concerning the responsiveness of our Embassy in Santiago to difficulties encountered by U.S. citizens. The inter-American Affairs Subcommittee which I have the honor to chair has received letters from a number of persons, some complaining about Embassy actions and others expressing thanks for help received. The subcommittee is looking into a number of complaints in order to determine whether there was any improper activity and whether there is any necessity for revising policy guidelines governing the conduct of Embassy personnel.

Earlier this week I received a letter from the American Foreign Service Association regarding complaints about the behavior of Embassy employees in Santiago. Because of the widespread interest in Congress about this issue, I want to take this opportunity to call the AFSA statement to the attention of the House.

AMERICAN FOREIGN SERVICE ASSO- CIATION,

Washington, D. C., January 23, 1974.

HON. DANTE B. FASCELL,
House of Representatives,
Washington, D.C.

DEAR MR. FASCELL: As you know, there have been allegations in the press that the U. S. Embassy in Santiago, Chile, failed to give adequate protection to American citizens during the recent coup. As the professional association of the 11,000 men and women of the Foreign Service of the United States, we believe these allegations are both false and extremely unfair. As a result of these allegations, competent, highly dedicated Foreign Service personnel have had their reputations besmirched, in spite of the fact that the real circumstances were the opposite of the allegations—the individuals involved did far more than their duty required, and deserve approbation, not criticism for their actions.

I have enclosed for your information an open letter from our AFSA Chapter in Santiago which explains this point in greater detail.

Sincerely yours,

THOMAS D. BOYATT,
President.

COPY OF AN OPEN LETTER TO THE MEDIA AND
THE CONGRESS FROM THE AFSA CHAPTER IN
SANTIAGO, CHILE

December 13, 1973.

DEAR SIR: There have been several press stories and letters to various members of Congress which have appeared recently in the U.S. media accusing Foreign Service Officer Frederick D. Purdy, the U.S. Consul in Santiago, and his staff of failure to fulfill

their duties in protecting U.S. citizens in Chile in the days following the military coup d'etat which occurred here September 11, 1973. Most, but not all, of these accusations are related to the lamentable deaths of U.S. citizens Frank Teruggi and Charles Horman. Several items published in the U.S. press have asserted that officials of the U.S. Embassy, Santiago, were indifferent to the fate of Teruggi and Horman, and subsequently callous in their treatment of the families of the deceased.

During the period following the coup, consular officers were involved in protection efforts on behalf of the entire American citizen community in Chile, numbering somewhere between 2,200 and 2,800 persons. In the process, Embassy personnel checked on the welfare of over 600 American citizens and reported to relatives or friends in the United States. They were instrumental in securing the release of 17 American citizens detained by Chilean authorities, and obtained safe-conduct passes and helped arrange transportation for more than 40 American citizens who otherwise might have been unable to leave Chile. This was accomplished in the midst of street violence and Chilean administrative disorganization, and with efforts impeded by the lack of diplomatic relations with the new government, difficulties in communication, a strict curfew, and severe military restrictions on personal movement and activity.

AFSA Santiago has as members 39 of the 43 U.S. employees of the Department of State, the U.S. Information Agency, and the Agency for International Development serving in this Embassy. We are a professional organization devoted to maintaining the highest standards in the conduct of U.S. foreign policy. We were present during those confused and hectic days following September 11, and are fully aware of the untiring labor, often involving personal risk, gladly undertaken by Fred Purdy, members of the Consular Section, and other Embassy personnel to help American citizens experiencing difficulties. It is perhaps understandable that some bereaved relatives and friends of Frank Teruggi and Charles Horman might have an emotional need to blame someone for the deaths. It is most regrettable that in doing so they have presented numerous misstatements of fact and distortions of reality in trying to make their case.

AFSA Santiago therefore feels that it must speak out to defend the good names and integrity of public servants who behaved in an entirely professional manner. We reject the innuendos and the thrust of the charges which have been made and deplore the methods used—i.e., the individuals attacked had no way to defend themselves directly. Those who are fully informed of the performance in a wide range of activities of this Embassy at the time of the coup are aware of the outstanding job which was done. Many Americans have expressed their admiration and appreciation for assistance they received. Unfortunately, these generally go unnoticed while sensational (although in this case false) accusations of misconduct get public attention. With this letter, unanimously approved by the voting membership of AFSA Santiago, we hope to do something about setting the record straight.

Sincerely,

SAMUEL F. HART,
President.

JOHN B. TIPTON,
President-Elect.

DISCRETIONARY FUNDS HELD BY OFFICE OF EDUCATION

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

Mrs. GREEN of Oregon. Mr. Speaker, for some time I have been concerned about the hundreds of millions of dollars of discretionary funds that have gone into questionable contracts and grants with little or no monitoring or evaluation by the Office of Education. A few months ago the New York Times asked me to write an article on education for their end-of-the-year wrapup. In that article there was a typographical error so that the amount of discretionary funds appeared as \$89 million instead of \$890 million. This makes a significant difference in the way it is viewed. Not realizing that this typographical error was in the article, my friend and colleague from New York placed this article in the CONGRESSIONAL RECORD without the correction. It appears on page No. 239, line 6. I have called his attention to this while, at the same time, expressing my deep appreciation for his thoughtfulness and, also, his very gracious comments. I was both pleased and honored.

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

Mrs. GREEN of Oregon. I am happy to yield to the distinguished gentleman from New York?

Mr. KEMP. Mr. Speaker, I appreciate very much the gentleman from Oregon yielding to me.

Mr. Speaker, on January 6 I had the honor of taking that article from the New York Times, and placing it in the CONGRESSIONAL RECORD of January 29.

Mr. Speaker, I find that the gentleman from Oregon (Mrs. GREEN) is certainly one of the most able and objective viewers of Federal aid to education in this Congress, if not in the country.

Mr. Speaker, at this time I would ask unanimous consent to correct the figure that was used in the New York Times article just referred to, from \$89 million in discretionary funds for the Office of Education, to the correct figure as pointed out by the gentleman from Oregon (Mrs. GREEN) of \$890 million.

THE SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL EXPLANATION

Mr. BRECKINRIDGE. Mr. Speaker, I was in the Chamber on the rollcall vote on H.R. 4861, the Piscataway Park in Maryland. I did not vote. Had I voted, I would have voted "yea."

PROFITS—YES—EXCESSIVE PROFITS—NO

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

Mr. ROUSH. Mr. Speaker, just this week I received a letter and a petition signed by 415 of my constituents from the Fourth Congressional District of Indiana registering their concern about the "increase in excessive oil company profits" and the "rapidly rising costs of gasoline and fuel oil."

No wonder these and many others I have talked with personally are upset.

Sales of the 15 largest U.S. oil companies are not all in yet, but we have reason to believe that their full year profits will be in the neighborhood of \$9 billion for 1973 as contrasted with \$5.8 billion in 1972. The oil companies do not seem to think such profits extraordinary, excessive or exploitative. I disagree.

It is time we asked ourselves where these profits are coming from and why. Besides the heavy demand and scarce supply conditions of the present energy crisis, there are other conditions that contribute to such profits among these special tax breaks. The American taxpayer over the years has subsidized the foreign operations of oil companies with various tax allowances and benefits. U.S. oil companies deduct from their U.S. taxable income the same 22 percent depletion allowance for oil produced in Arab countries that they deduct for oil produced in the United States—even though the Arab oil is intended for sale abroad.

Then we have what is known as the "Golden Gimmick." An Internal Revenue Service ruling in the early 1950's has enabled the oil companies to convert royalty payments to Arab rulers into foreign taxes, allowing a foreign tax writeoff, dollar for dollar, against income taxes owed in this country. This gimmick has meant billions of dollars to these oil companies and a heavy loss to the U.S. Treasury.

Moreover, we have increasingly removed the price controls on oil products, controls supposedly imposed in the interest of stemming inflationary prices. Early last year the Cost of Living Council allowed crude prices to increase by 35 cents a barrel; exempted from price controls what oilmen call "new" crude oil—oil produced from wells found and drilled in the last few years. Later the Council let "old" crude oil prices rise another \$1 a barrel. In late January the price of American crude oil was somewhere between \$7 and \$8 a barrel, roughly double the level of last spring.

The effect of last year's crude oil price increases was to raise the average price significantly, resulting in increased revenues to domestic oil producers by some \$10 billion. Gasoline and heating oil prices were behind crude prices but they also began to climb and there are some economists who now predict that price increases will raise the industry gross this year by \$20 billion. Given the tax benefits favoring oil producers, little of this will find its way back into the U.S. Treasury.

Meanwhile the American consumer finds the prices of heating oil up 11 percent last month alone; 47 percent for the year. Gasoline prices increased 4 percent last month; 20 percent over the year.

There are those who warn us, as they did when the House debated the windfall profits section of the emergency energy bill before the Christmas recess, that the oil companies must have plenty of profits so they can reinvest whatever is necessary to stimulate further exploration, new drilling, refinery expansion, and so forth.

I believe last year's record indicates they have more than enough. During 1973's third quarter, oil industry profits

were up 63 percent from the previous year's third quarter, according to Business Week magazine's quarterly profit survey.

What about the American consumer who ultimately pays for the tax benefits and for the increased prices, and at the same time has less heat and an uncertain supply of gasoline?

The excessive oil company profits, the adverse effect of price increases on the economy, the hardships the price increases are inflicting on the American consumer, and the unwillingness of the administration to do anything about it all add up to the need for congressional action.

There are some steps we can take. I am cosponsoring legislation that will cut back the tax benefits these U.S. companies enjoy from their activities abroad. That will return some of our tax money where it belongs. I am also joining in a bill that proposes to alleviate the inflation burden on consumers in two steps: First, by freezing prices of crude oil and petroleum products at their mid-January 1974 levels; and second, by rolling back these prices within 30 days to the levels in effect during the week ended November 10, 1973.

The conferees on the emergency energy bill will be discussing that legislation today, and I understand they will consider the possibility of adding some kind of price rollback to the emergency energy bill. They have my enthusiastic support, and that of the majority of the American people who are tired of being taken.

CONGRESS MUST PREVENT SURRENDER OF U.S.-OWNED CANAL ZONE

The SPEAKER pro tempore (Mr. MAZZOLI). Under previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, I rise on behalf of the sponsors and cosponsors of the House resolution "In Support of Continued Undiluted United States Sovereignty and Jurisdiction over the United States Owned Canal Zone on the Isthmus of Panama." I urge all of my colleagues on both sides of the aisle who in sponsoring or cosponsoring have not already done so to join with us in sponsoring or cosponsoring this resolution so as once more to make crystal clear that the American people will not tolerate surrender of the essential sovereign right of the United States solely to control and operate the U.S.-owned Canal and to govern its protective frame, the U.S.-owned Canal Zone, situated on the Isthmus of Panama.

There is a clear and present danger now confronting the people of the United States that was created by the recently announced "principles of agreement," hastily negotiated during the latter part of December by Ambassador at Large Ellsworth Bunker with Foreign Minister Juan Tack of Panama's Revolutionary Government, to serve as guidelines for current treaty negotiations regarding the status of the U.S.-owned Canal and Canal Zone.

Although the precise terms of these "principles" have not been disclosed to the people of the United States or their Representatives in the Congress, enough has become known about them to make clear that, if adhered to in the current negotiations and approved by the Congress, the United States would lose its sovereign rights, power, and authority over the Canal Zone.

Secretary of State Kissinger's announced purpose, with even more haste, to sign this "statement of principles" was made public on February 1 through a United Press International release titled "Kissinger Plans Panama Visit To Sign Accord," quoted as follows:

Secretary of State Henry A. Kissinger will make a flying trip to Panama next Thursday to sign a declaration setting the stage for the United States to bow out of its 71-year-old domination of the Canal Zone.

Kissinger will sign a declaration of principles, achieved at the end of last year by U. S. Ambassador Ellsworth Bunker, ending a 10-year deadlock on negotiations to give the Panama Government sovereignty over the Canal Zone.

Kissinger will report on the canal negotiations to the upcoming Western Hemisphere foreign ministers meeting in Mexico City, Assistant Secretary of State for Inter-American Affairs Jack B. Kubisch said.

As the whereas clauses in the resolution make factually and succinctly clear, the sovereign rights of the United States, and its treaty responsibilities and obligations, were clearly stated and recognized in three solemn treaties, on each with Great Britain, the Republic of Panama, and Colombia. Under the treaties with Panama and Colombia, both nations were fully and adequately compensated, and Panama is now, and has continuously been, paid increasingly greater amounts in fulfillment of our treaty obligations and otherwise. The treaty with Panama grants to the United States sovereign rights "in perpetuity" to the "exclusion" of the exercise of any of such rights by any other nation, including Panama, to the canal and the Canal Zone. In addition to this grant, the United States purchased all individually owned land in the Canal Zone, thus making it the most costly of all of our territorial possessions. In fact, it was more costly to our taxpayers than the combined cost of all of our other territorial possessions.

During last October—that is not too long ago—Ambassador Bunker elaborately briefed, as to the history of the acquisition and government of the Canal Zone and the construction, maintenance, and operation of the canal both by the most knowledgeable Members of the Senate and by me. Some Members of Congress, as did I, addressed letters to President Nixon and Secretary Kissinger on this subject. I offered to lay before the President with Members of the Senate and Members of this body available pertinent information and sought an appointment to do so, but to no avail.

The mere introduction of this resolution by its clearly stated terms should present a serious note of caution to Secretary Kissinger to refrain from signing the so-called "Statement of Principles." It should convince him that any proposed treaty which might be negotiated

on the basis of the terms of that statement would be doomed to rejection by the Congress. The people of the United States and the Congress should not be maneuvered into a position by our diplomatic representatives that should require their repudiation.

There is not doubt in my mind, Mr. Speaker, that if this matter were submitted to the people of the United States, it would be overwhelmingly rejected in every State of the Union—overwhelmingly by the people.

The introduction of this resolution, even before formal consideration of it by the House, will also raise serious questions as to the haste and secrecy in which the vital questions involved have been accomplished and whether dispositions of vast quantities of the peoples' rights and property are to be based, not upon the will of our people as expressed by their duly elected Representatives in the Congress but upon ex parte declarations arbitrarily made by a few bureaucrats not elected by the people.

Mr. Speaker, in order that the Congress and the Nation may be more fully informed as regards what is being attempted as regards the Panama Canal, I quote the indicated House resolution:

H. RES. 804

Resolution in support of continued undivided United States Sovereignty and Jurisdiction over the United States-owned Canal Zone on the Isthmus of Panama

Whereas United States diplomatic representatives are presently engaged in negotiations with representatives of the *de facto* Revolutionary Government of Panama, under a declared purpose to surrender to Panama, now or on some future date, U.S. sovereign rights and treaty obligations, as defined below, to maintain, operate, protect and otherwise govern the United States-owned Canal and its protective frame of the Canal Zone, herein designated as the "Canal" and the "Zone", respectively, situated within the Isthmus of Panama; and

Whereas title to and ownership of the Canal Zone, under the right "in perpetuity" to exercise sovereign control thereof, were vested absolutely in the United States and recognized to have been so vested in certain solemnly ratified treaties by the United States with Great Britain, Panama, and Columbia, to wit:

(1) The Hay-Pauncefote Treaty of 1901 between the United States and Great Britain, under which the United States adopted the principles of the Convention of Constantinople of 1888 as the rules for operation, regulation, and management of the Canal; and

(2) The Hay-Bunau-Varilla Treaty of 1903 between the Republic of Panama and the United States, by the terms of which the Republic of Panama granted full sovereign rights, power, and authority in perpetuity to the United States over the Zone for the construction, maintenance, operation, sanitation, and protection of the Canal to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority; and

(3) The Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922 between the Republic of Colombia and the United States, under which the Republic of Colombia recognized that the title to the Canal and the Panama Railroad is vested "entirely and absolutely" in the United States which treaty granted important rights in the use of the Canal and Railroad to Colombia; and

Whereas the United States, in addition to having so acquired title to an ownership of

the Canal Zone purchased all privately owned land and property in the Zone, from individual owners, making the Zone the most costly United States territorial possession; and

Whereas the United States since 1903 has continuously occupied and exercised sovereign control over the Zone, constructed the Canal, and, since 1914, for a period of 60 years, operated the Canal in a highly efficient manner without interruption, under the terms of the above mentioned treaties thereby honoring their obligations, at reasonable toll rates to the ships of all nations without discrimination; and

Whereas from 1904 through June 30, 1971, the United States made a total investment in the Canal, including defense, at a cost to the taxpayers of the United States of over \$5,695,745,000; and

Whereas Panama has, under the terms of the 1903 treaty and the 1936 and 1955 revisions thereof, been adequately compensated for the rights it granted to the United States, in such significantly beneficial manner that said compensation and correlated benefits has constituted the major portion of the economy of Panama giving it the highest per capita income in all of Central America; and

Whereas the Canal is of vital and imperative importance to Hemispheric defense and to the security of the United States and Panama; and

Whereas approximately 70 percent of Canal traffic either originates or terminates in United States ports, making the continued operation of the Canal by the United States vital to its economy; and

Whereas the present negotiations, and a recently disclosed statement of "principles of agreement" by our treaty negotiator, Ambassador Ellsworth Bunker, and Panamanian Foreign Minister Juan Tack, Panama treaty negotiator constitute a clear and present danger to Hemispheric security and the successful operation of the Canal by the United States under its treaty obligations; and

Whereas the present treaty negotiations are being conducted by our diplomatic representatives under a cloak of unwarranted secrecy, thus withholding from our people and their representatives in Congress information vital to the security of the United States and its legitimate economic development; and

Whereas the United States House of Representatives, on February 2, 1960, adopted House Concurrent Resolution 459, 86th Congress, reaffirming the sovereignty of the United States over the Zone territory by the overwhelming vote of 382 to 12, thus demonstrating the firm determination of our people that the United States maintain its indispensable sovereignty and jurisdiction over the Canal and the Zone; and

Whereas under Article IV, Section 3, Clause 2 of the United States Constitution, the power to dispose of territory or other property of the United States is specifically vested in the Congress, which includes the House of Representatives. Now, therefore be it

Resolved, That it is the sense of the House of Representatives that:

(1) The government of the United States should maintain and protect its sovereign rights and jurisdiction over the Canal and Zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere; and

(2) That there be no relinquishment or surrender of any presently vested United States sovereign right, power or authority or property, tangible or intangible, except by treaty authorized by the Congress and duly ratified by the United States; and

(3) That there be no recession to Panama, or other divestiture of any United States-owned property, tangible or intangible, without prior authorization by the Congress (House and Senate), as provided in Article IV, Section 3, Clause 2 of the United States Constitution.

Mr. Speaker, I will not read the resolution. It will be in the RECORD. I will have a copy of the resolution hand-delivered to Mr. Kissinger today and, as I say, it will be in the RECORD. I will have a statement to all Members of Congress, both bodies, dealing with the subject.

I would hope to get that out today.

One of my colleagues on the other side of the aisle, the Republican side of the aisle, will do this as part of this joint effort in which we are all engaged. As Members will recall, the House acted upon this some time ago with a vote of almost 3 or 4 to 1, reaffirming our position. I am sure the House would do so again at the earliest opportunity.

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

Mr. FLOOD. Mr. Speaker, I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, I thank the gentleman for yielding. I think the gentleman from Pennsylvania should be complimented by the Members of this body for calling our attention to this very important international matter, a matter of national concern.

I have not had an opportunity to see the gentleman's current resolution, but I did cosponsor former resolutions which the gentleman from Pennsylvania and the gentleman from Missouri (Mr. HALL) introduced in the past. I appeared before the Committee on Foreign Affairs on one occasion in support of one of those resolutions. Later, I appeared before Mr. MURPHY's subcommittee with reference to the point that where the cession of American territory and property is involved, that it may well be not only the other body, but this body may have a constitutional duty and obligation—

Mr. FLOOD. Not "may." It constitutionally does.

Mr. Speaker, the gentleman has been a great help down through the years on this whole fight. He stood there just as I am standing here, year after year, and while this body here under the Constitution has nothing to do with ratification of treaties, nevertheless on disposition of property to which the U.S. Government has title, that can only be constitutionally done under the Constitution by the Congress, including this body.

Mr. DENNIS. Mr. Speaker, I think the gentleman is correct. At the time I appeared before Mr. MURPHY's subcommittee, I did a reasonably extensive amount of legal research on that matter, and included it in my remarks, so that I think the gentleman again is to be complimented in bringing this matter before us. The Members of the House ought to give it very careful consideration.

Mr. FLOOD. Mr. Speaker, the gentleman is very kind.

Mr. SIKES. Mr. Speaker will the gentleman yield?

Mr. FLOOD. Mr. Speaker, I yield to the gentleman from Florida, a member of the Armed Services Committee for many,

many years with me. From the west coast of Florida, it would be hard to think of anyone who was more aware of what the problem is.

Mr. SIKES. Mr. Speaker, I too applaud the distinguished gentleman from Pennsylvania on the concern he has expressed about what may be in store in the Panama Canal.

I think that this is a matter which is much too serious to be handled on short notice or without a full consultation with the Congress. The American people certainly are concerned about what happens to the Panama Canal. Congress is very much concerned with what happens to the Panama Canal.

My State of Florida, it is the nearest to it, has a very great interest in the question. We know its significance from a defense standpoint. We know its importance to the trade channels of the world. It is something that Congress should have a voice in as the spokesman for the people of this country.

The gentleman has waged diligent effort to protect and preserve this valuable asset to the peace of the world, to the defense of the United States. He deserves great credit for it. I trust that the Congress will rally around his leadership and that we can be assured that there will be no quick and easy arrangements made that Congress has not been given a voice in.

It is extremely important that the canal be preserved for the interests which America always has had for the canal, and to me that means continued ownership of the canal and Canal Zone by the United States.

Mr. FLOOD. Mr. Speaker, the gentleman is very kind.

From the economic phase, I might add, and this is not—this is not just generally known, but over 70 percent of the traffic back and forth through the canal touches ports in the United States of America—over 70 percent. So that all Members of all the seaboard States, as is the gentleman from Florida, from the economic sector as distinct from the defense sector, are vitally, vitally engaged.

Mr. SIKES. Mr. Speaker, if the gentleman will yield further, it is equally important from our standpoint in that it is necessary that we have a two-ocean Navy.

It is getting more costly and more difficult for us to maintain a two-ocean Navy, and if the use of the canal would be denied to us by any reason, it would be much more difficult for us to preserve that two-ocean Navy as a necessary adjunct to our defense.

Mr. FLOOD. Mr. Speaker, indeed the gentleman is correct, and let me add this: We have the Soviets.

Now, the gentleman from Florida has served with me on the Committee on Defense Appropriations since it was created, quite some time ago, at the end of World War II, and we watched our Navy go down, down, and down until it has reached the point as of today.

We watched the Russian Navy since the days of the Romanovs. Surely it was a defense mechanism under the Romanovs, but over the years and succeeding years it has grown more and more until

now today the biggest and strongest Navy in the world is the Soviet Navy, not ours. It is getting bigger than ours; it is getting bigger and stronger, and it is no longer just a defense mechanism; it is all over the lot. Any place in the world, in every ounce of water we find, they are there, and they are not fooling.

The Soviet Navy controls the Kiel Canal; the Soviet Navy controls the Dardanelles, the Straits of the Bosphorus; the Soviet Navy controls Gibraltar; the Soviet Navy controls the Straits of Malacca; the Soviet Navy controls the Suez Canal.

The only interoceanic connection not controlled today by the Soviets is the Panama Canal, the connection between the Atlantic and the Pacific. This is the defense jugular vein of the Western Hemisphere.

Mr. Speaker, let me mention Cuba. We all know where Cuba is. Well, you can stand in Havana and toss a bottle of Bacardi on the canal, can you not?

Mr. SIKES. Almost, if you have a good arm.

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

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

First, Mr. Speaker, let me say this: I remember years ago the gentleman from Iowa stood here just before we adjourned one day and said:

Before we are out of here in a few days, permission will be granted to the Department of State—that is these faceless wonders in striped pants down there at the State Department—so that they will arrange for Panama to be permitted to fly its flag alongside the U.S. flag in the zone.

The gentleman introduced that resolution, and it passed this House by a vote of 382 to 12; am I not correct?

Mr. GROSS. Something like that. And to be permitted to fly it at an equal level with the flag of the United States in the canal zone.

Mr. FLOOD. That is right.

Mr. GROSS. They not only fly it in the canal zone, but they fly it at an equal level with ours.

Mr. Speaker, I would like to ask the gentleman this: I am not quite clear concerning the resolution. Is it a House Resolution, sent through as a House resolution?

Mr. FLOOD. Yes, it is.

Mr. GROSS. I may have a copy of it?

Mr. FLOOD. It will be in the other body as well.

Mr. GROSS. Does the gentleman wish other Members to introduce the resolution?

Mr. FLOOD. Yes. I have asked for that in my opening remarks today.

That is the purpose and the intent of my appearing here, almost overnight, one might say, to introduce this resolution and to invite the Members on both sides of the aisle, as they always have, to participate in the presentation of this resolution.

Mr. GROSS. Mr. Speaker, I have not seen the gentleman's resolution, but I think I can safely say that it will be a pleasure to introduce it and join with the gentleman in his never-failing opposition to the turning over of the Panama Canal.

This is a critical question for the people of this country, not only from the standpoint of national security, but from the standpoint of the Congress of the United States, as well, as the rest of the free nations of the world. This canal must be held and operated by the United States.

I again wish to commend the gentleman for his long and never-failing fight to keep the canal in the hands of the United States where it properly belongs.

Mr. FLOOD. Mr. Speaker, the gentleman is very kind. I would hasten to add this:

With our Latin American friends through Central and South America, as I am sure my friend knows, I was raised in St. Augustine, Fla. I have been close to the Latins all of my life. I traveled through all of Central and South America for years. Back through my grandfather and my father and down through the years, I traveled on various committees' business through this area. I have nothing but great love and affection and sentimentality for the Latin American peoples and their nations.

I can assure them, especially those in Panama, that under no circumstances would it be my intent or the intent of this House or the Congress or this Nation to do other than to have their best interests and welfare at heart. That can best be done, I believe, by preserving our position on the canal for their best interest.

Mr. SYMMS. Will the gentleman yield?

Mr. FLOOD. I am glad to yield to the gentleman.

Mr. SYMMS. I thank the gentleman for yielding.

I, too, would like to commend the gentleman from Pennsylvania for bringing this matter before the House.

I have two questions I would like to ask the gentleman's opinion on.

Question one is, if we give up our interest in the U.C. Canal Zone in Panama, do you think the Panamanians will be capable of handling the canal?

The second part of that question is, if they are not, what other power do you think will have control of the Panama Canal?

Mr. FLOOD. The answer to the first question is, no, under no circumstances; and nobody knows it better than they do. Probably the first thing they would do would be to ask somebody by contract to run it, but I do not know who that would be.

The answer to question two is the Soviet.

Mr. SYMMS. I thank the gentleman for yielding, and I appreciate his opinion.

THE CLOSURE OF FORT MacARTHUR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. ANDERSON) is recognized for 20 minutes.

Mr. ANDERSON of California. Mr. Speaker, the Department of Defense, Under Secretary Laird, established "Human Goals" which state that "Our Nation was founded on the principle that the individual has infinite dignity and worth."

And to attain this goal, it requires that the Department of Defense "strive to help each serviceman at the end of his service in his adjustment to civilian life."

I recall when I was in the Army, the service took great pride in the fact that they took care of their own. In other words, whatever a serviceman needed, whenever a problem arose, the military was prepared to help.

This was reassuring to a young serviceman and it helped create the esprit de corps that forged a common bond between the Army and its personnel. And, in large measure, the esprit that was created accounted for the retention of capable, experienced military men. For military service is not just a job—it is a way of life. It begins with enlistment, but it does not end with retirement. Rather, the commitment to this way of life carries over through retirement.

Many, many men have made the military a career—certainly, not for the pay and not because they like war—but, because they enjoy the life and they enjoy the camaraderie and the esprit.

In effect, they are proud to serve our country in a unit that takes care of its own.

But, today, Mr. Speaker, this tradition which has made our armed services the best in the world is threatened.

Today, the Department of Defense has announced its intention to close Fort MacArthur, Calif.—a post established in 1888—and the only Army fort in all of southern California.

The rationale for closing this facility is because of the phasing out of the Army Air Defense Command—the Nike program—a segment of which is located at Fort MacArthur and encompasses 22 percent of the fort's budget and 4.5 percent of its personnel.

The remainder of the activities—78 percent of its budget and 95.5 percent of its personnel—will be serviced by Fort Ord, located 360 miles to the North.

The decision for closing Fort MacArthur, I contend, cannot be justified by any reason; certainly, not cost; certainly, not combat effectiveness; and certainly, not in human terms.

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

Mr. ANDERSON of California. I am happy to yield to my colleague, the gentleman from California.

Mr. HANNA. Mr. Speaker, I would like to commend the gentleman from California (Mr. ANDERSON) for bringing to the attention of the House the circumstances involving Fort MacArthur, which is in the gentleman's district, and which is not too far removed from my own district. I want to commend the gentleman from California because in this instance the gentleman is demonstrating once again that characteristic which has been the hallmark of his service here in the House of Representatives, of having a warm and ever-present concern for the human factors involved in governmental actions.

I am likewise appalled, Mr. Speaker, as day after succeeding day we are seeing a Government which is operated by accountants, men who look at numbers, men who add up figures, and men who

have no compassion for or who seem to be blind to the human element, and of not bringing them into the implementation of the responsibilities that vest in the executive department of the Government, and who do not seem to be concerned, as the gentleman in the well is concerned, about how the decisions of Government affect the human beings who are so governed.

So, Mr. Speaker, I too join with the gentleman from California in trying to bring attention of this to this House, and to emphasize to the administration that we are here involved with human lives, and that the effect upon those human lives must be part of a reconsideration of this accounting decision to which the gentleman alludes.

Again I think the gentleman for yielding.

Mr. ANDERSON of California. Mr. Speaker, I thank my colleague, the gentleman from California (Mr. HANNA) for his kind remarks.

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

Mr. ANDERSON of California. I am happy to yield to my colleague, the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I wish to join my colleague, the gentleman from California (Mr. HANNA) in complimenting the speaker in the well, the gentleman from California (Mr. ANDERSON) on having brought this matter to our attention, and I wish to associate myself with the remarks made by my colleague, the gentleman from California (Mr. ANDERSON).

With respect to the comments made by the gentleman from California (Mr. HANNA) I would like to point out one thing, and that is that I too agree that we seem to be evolving into a government of accountants, but in this case I think they do not account too well.

We have some 21 million people in the State of California, and greater than half of them live south of the Tehachapi Mountains. The servicing of the military personnel whose homes and families are in that vast body of some 11 million people, involves a great deal of work, and also requires the immediate availability of military records and the like, which presently and which formerly were maintained at Fort MacArthur. I do not believe that it is at all unrealistic to expect the Army to maintain this fine installation which has been there since, I believe, 1888.

I wonder if the gentleman from California has any information as to costs?

Mr. ANDERSON of California. Yes, and it is one of the points that I will attempt to bring out in a few moments when I go on with my special order.

Mr. DANIELSON. I am very glad that the gentleman has that information.

Mr. Speaker, I too want to associate myself with the remarks of the gentleman from California, and I will be listening with great interest to the other items on costs.

Mr. ANDERSON of California. Again I would repeat that the reasons for closing Fort MacArthur cannot be justified

by any reason; certainly not costs, certainly not combat effectiveness, and certainly not in human terms.

Mr. Speaker, I thank the gentleman from California (Mr. DANIELSON), for his remarks, and I hope that the answers that I shall give the gentleman will help buttress his position.

COSTS

Mr. Speaker, one of Fort MacArthur's primary missions is to supply administrative and logistical support to the 252 units and activities in the 8 counties of southern California. That includes 105 National Guard units, 78 Reserve units, and 33 ROTC schools.

Certainly, to supply these activities and to provide the repair and maintenance necessary, a fort should be reasonably close to the units. This would, first, reduce travel time, second, encourage greater supervision and, third, encourage prompt repair to damaged equipment.

But, when the headquarters is located 300 to 400 miles away, the cost in travel will be greater; the supervision, naturally, would be less effective; and the maintenance and repair would be only when critically needed. Thus, the long-range cost of moving the administrative and logistical support for these important activities will be greatly increased.

COMBAT EFFECTIVENESS

Mr. Speaker, today's modern Army is a complex machine. It is controlled by experienced and talented personnel who are operating costly and technical equipment. For these people to rely on a facility hundreds of miles away for food, pay, medical care, equipment, parts, and repair, it seems to me, greatly reduces their ability to perform their mission.

HUMAN NEEDS

Mr. Speaker, Fort MacArthur has been in continuous operation since 1888, when President Grover Cleveland signed an Executive order creating this facility.

Today its annual payroll is \$22.7 million, generating \$59 million worth of business in the San Pedro area alone.

Not only does it perform an important part in our national defense, Fort MacArthur is an integral part of our community.

Because of the desire of retired military personnel to locate in an area close to a fort, the San Pedro area is the home of some 43,000 former career servicemen. They use the post exchange and the commissary to buy their necessities, and they use the clinic to meet their medical needs.

To break faith with these members of the Army family, it seems to me, can only result in a lessening of morale of the servicemen, a blow to the Volunteer Army, and a callous disregard of the needs of those who have served our country.

Over 5 percent of the Nation's Army retirees live in southern California and presently depend on the one Army post in the eight-county area.

I sincerely believe that an area as large and as populated as southern California, with over 5 percent of the Nation's population, surpassed by only two States, New York and Pennsylvania—and, of course, California itself, with over 5 percent of the Army retirees—should have an Army post.

In addition to the former servicemen in the San Pedro area, some 45,000 dependents of active duty soldiers, sailors, and airmen live in close proximity to Fort MacArthur and take advantage of the services offered there to supplement their paltry incomes.

But, Fort MacArthur is more than a convenience and a necessity for the retired servicemen and the military dependents; it is a significant member of the community. Last year the 72d Army Band, located at Fort MacArthur, performed in 123 parades, concerts, and ceremonies witnessed by over 1.5 million local residents.

The color guard displays the flag at an average of six patriotic ceremonies per month, including such events as the Torrance Armed Forces Day Parade—the largest in the Nation; the Long Beach Veterans' Day Parade, the Huntington Beach Independence Day Parade, and the San Pedro Christmas Parade, to name but a few.

In addition, some 4,500 young people, in such groups as the Boy Scouts, the YMCA, the Explorer Scouts, and the Girl Scouts, are welcomed by Fort MacArthur and use the post facilities.

CONCLUSION

The Department of Defense has a primary objective to preserve peace, and they can best accomplish this mission by maintaining a corps of dedicated, intelligent, and highly trained individuals who believe that loyalty is a two-way street, who believe that loyalty must flow from the service to the members, as well as from the members to the service.

But, today, with the announced intent to close Fort MacArthur, an important link in the chain of loyalty has been neglected; and the military units of the service—have been disregarded, the dependents, a major part of the service, have been ignored; the community, from which recruitments must come, has been broken. The retirees—the alumni which depended on Fort MacArthur, have been overlooked—all to the detriment of the service and to its mission to preserve the peace.

HOUSE DEMOCRATIC RESPONSE TO THE PRESIDENT'S MESSAGE AND ADMINISTRATIVE ACTIONS ON COMMUNITY DEVELOPMENT IN THE COUNTRYSIDE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

(Mr. ALEXANDER asked and was given permission to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, I am pleased to have the opportunity to represent the Democrats in the U.S. House of Representatives for the purpose of responding to the President's message and administrative actions on community development in the countryside. As chairman of the House Subcommittee on Family Farms and Rural Development the implementation of the national growth policy, previously established by the Congress, is a principal concern. That subcommittee is a part of the Commit-

tee on Agriculture which has broad jurisdiction over the economics and farm products that fill the breadbasket of our Nation.

Congress has made a modest beginning in achieving a national policy for community development in America. In 1969 we began shaping a statement of policy that emerged with a congressional commitment to the revitalization of the Nation's countryside made in the Agriculture Act of 1970, and to a balanced national growth policy made in the Housing and Urban Development Act of 1970.

In 1972 the Congress enacted the Rural Development Act.

The RDA is an act that is full of promise. If administered as intended by the Congress it can breathe new life into tens of thousands of small towns all across our land. It contains the authority for the administration to provide the kind of community development where people can live, work, and play without struggling with overcrowded conditions in the cities.

The act carries in it the promise of the possibility for community, cultural, and economic developments which avoid many of the mistakes we have made in building our great cities.

The congressional commitment to the heartland has been clearly communicated to the executive branch.

The President has responded with verbal support.

In his 1970 state of the Union address, Mr. Nixon stated:

We will carry our concern for the quality of life in America to the farm as well as to the suburb, to the village as well as the city. What rural America needs most is a new kind of assistance. It needs to be dealt with not as a separate nation, but as a part of an overall growth policy for all America. We must create a new rural environment that will not only stem the migration to urban centers, but reverse it.

From the President's revenue sharing—rural community development message of March 10, 1971:

As never before, the Nation is beginning to see that urban America has a vital stake in the well-being and progress of rural America. This is one Nation, and for the good of all Americans we need one national policy of balanced growth.

For the sake of balanced growth, therefore, but even more for the sake of the farmer and all his neighbors in rural America—first-class citizens who deserve to live in first-class communities—I am proposing that the Federal Government re-think America's rural development needs and rededicate itself to providing the resources and the creative leadership those needs demand.

It takes many different kinds of activities to create rural development—to create opportunity. One must start with the individual—his education, his skill training, and his health. Next the individual needs to be linked to resources and markets through transportation. Public sector infrastructure such as water and sewers is needed to encourage industry to locate in new areas. The environment is also becoming an increasingly important factor in industrial locations.

From the oral state of the Union message delivered January 20, 1972, in joint session by President Nixon:

It is striking to realize that even if we had a population of one billion—nearly five times the current level—our area is so great that we would still not be as densely populated

as many European nations are at present. Clearly our problems are not so much those of numbers as they are of distribution. We must work to revitalize the American countryside.

From the special message on rural development sent to the Congress by the President on February 1, 1972:

All Americans have a high stake in rural development. For the problems which many rural areas are now experiencing are directly linked to those of our cities and suburbs. Changing patterns of life in rural America have changed the pattern of life in all America—many of our rural areas are being emptied of their people and their promise—in many cases, those who have left the countryside have simply taken their problems with them. Indeed, many have seen their problems intensify as they have settled in overcrowded urban areas.

We in the Congress could not have been in more agreement. We have established most of the necessary legislative framework. We have made our commitment to these goals, and appropriated substantial amounts of money to put the programs to work. We expected, in view of the President's rhetoric, that these programs would be enthusiastically endorsed by his administration. We expected in any case, in view of his constitutional mandate to "take care that the laws be faithfully executed" that they would be promptly and properly administered according to the will of Congress.

In passing the RDA Congress recognized that man does not live by farm programs alone. While farmers are the cornerstone of the economy, more than half of the citizens of the countryside are professionals, clerks, factoryworkers, businessmen, students, artists, or follow other nonagricultural pursuits.

The idea of "rural America" is more romantic than real. The people of the heartland living in the countryside make up a balanced society. This fact is known in the Congress but is not yet recognized by an impervious administration.

Local control of governmental decisions is as American as apple pie. I wholeheartedly endorse this philosophy. I fully support the right of citizens at the local level having the privilege and assistance which they need to make the decisions which design their destinies.

At the same time, a realistic appraisal of the organization of our Nation's needs means recognizing that there are some areas at which decisions must be made on the basis of national interests as a whole. Ones which readily come to mind are such things as national defense, Federal highway networks, flood control, and regional development.

These, and other concerns, cannot be solved regardless of the tax dollars that are collected by the IRS and turned over to local governments if the process takes place in a climate of national indecision.

For too long Washington has viewed the countryside and the city as separate nations with separate problems. What will it take for America to see that the urban crisis is no less than a transplanted rural problem compounded by size, congestion, cultural fusion, and crime? This is a mistake which the Congress has painstakingly begun to attempt to correct through the passage of major pieces of

legislation—title IX of the Agriculture Act of 1970, title VII of the Housing and Urban Development Act of 1970, and the Rural Development Act of 1972.

The needs in the countryside for development—for improvements of the quality of life of the people who live there or who would like to live there are as great as those in the metropolitan areas. Attempting to say which of these needs should be first attended to is akin to trying to solve the age-old puzzle of which comes first—the chicken or the egg. So what I would do today is to limit this analysis of the deeds of the administration to seven important elements of life in the heartland of America: Education, jobs and economic development, community facilities, recreation, health, transportation, and housing.

Let us now take the bark off the tree and look behind the words, at the deeds of the administration.

EDUCATION

Countryside schools are allocated about \$100 per pupil less than metropolitan schools—\$562 per pupil to \$672 per pupil. Teachers are paid less. There is less equipment and fewer training aides. The schoolchildren of the heartland are short-changed by the administration in their educational needs.

In 1970, countryside counties, and particularly sparsely populated regions performed markedly lower than their metropolitan counterparts in terms of the school enrollment rates of youth, and the overall educational achievement of the adult population.

The percent of 16-to-17-year-olds enrolled in school in 1970 was 86.4 percent in nonmetropolitan counties, and 90.5 percent in metropolitan counties. This disparity of 4 percent is not overbearing, yet consideration of progress from 1960-70 reveals a 9.9 percent improvement in metropolitan counties, by contrast to only a 6.3-percent increase in enrollment in nonmetropolitan counties. In totally rural counties of the South, approximately 20 percent of the 16-to-17-year-olds were no longer in school. Overall, nonmetropolitan counties fell about 3 percentage points below the national average.

For 1970, educational attainment, or the percent of the population 25 years or older completing at least 4 years of high school, in nonmetropolitan counties was 45 percent, a full 10 percent lower than the 55.1-percent rate for metropolitan counties, and approximately 7 percent lower than the national average. In sparsely settled populated counties only 39.2 percent of the adults had completed high school.

Recent administration initiatives in education will only further aggravate an already critical situation. The administration's better schools bill would radically redefine the Federal role in elementary and secondary education by consolidating 32 valuable categorical programs into 1 revenue-sharing package. Thus, threatening specifically targeted aid to educationally needy children in the countryside.

But for the Congress, the people's branch of Government, our country cousins would have a higher hill to climb.

JOB AND ECONOMIC DEVELOPMENT

Mr. Speaker, the public pronouncements of this administration are full of praise for working Americans and the work ethic. But what has been accomplished for those who want to work but cannot find jobs?

On Friday, February 1, the Bureau of Labor Statistics reported that unemployment in January rose to 5.2 percent—an increase of four-tenths of 1 percent over December. In human terms, 4,732,000 men and women in the labor force were out of work. This was an increase of 368,000 that were added to the unemployed over the holiday season. In my home State of Arkansas, the number of persons seeking unemployment insurance rose from 2.8 percent of covered workers in early December to 4 percent in early January. In other words, in early January 6,226 Arkansans became new applicants for unemployment benefits, joining the 16,871 who were already receiving them.

Yet, in his state of the Union message, the President told us there would be no recession. Mr. Speaker, it is time to level with the American people and face the economic facts of life.

Unemployment rates for countryside counties are consistently higher than for urban counties—living with poverty in the countryside is much worse than in the city. For the long days of unemployment are not broken by the glare of the bright lights, but are accompanied only by the howl of the winter wind and the lonely cry of the timber wolf.

Taking a longer view, it is estimated that during the 1970's, there will be an increase of 2.7 million men in search of jobs in nonmetropolitan areas.

But if past trends continue—if the administration fails to cooperate with congressional initiatives, most of these men will have to join the rush to the city in search of work to support their families.

It is private businessmen who create job opportunities in the countryside. But Government can provide self-help programs that give rise to private industry and produce job opportunities.

What has this administration actually done to foster jobs and economic development in the heartland?

Mr. Nixon called for the elimination of the Economic Development Administration, which programs have largely helped small towns and communities. Congress continued the program for fiscal 1974, but its future is bleak if the President has his way.

Mr. Nixon asked for no funds for the regional commissions, which are trying to coordinate economic revitalization programs in depressed regions like the Ozarks and Appalachia. Regional planning exists today on the single hope of congressional support.

Mr. Nixon called for the abolishment of the emergency public employment program that expands public services at the grassroots. Shirley, Ark., a pretty little town nestled in the Ozarks, has a town marshal because Congress provides 75 percent of the salary. Thousands of public service positions will be abolished if this program is not continued by the Congress.

A major new economic incentive development program created by the Congress in the passage of the Rural Development Act of 1972 was the rural development insurance fund—meant to help create jobs in the countryside. You see, we believe strongly in the premise: "If you give a man a fish you feed him for a day—if you teach a man to fish, you feed him for a lifetime." This program has been law 16 months. Thus far, here is what has happened: As of December 30, 1973:

Program: Business and industrial loans; applications received: 907; applications worth: \$501,038,696; appropriation, \$200,000,444; impounded, \$20,000,000; loans made, six; and their worth, \$1,466,50.

The program also included \$10,000,000 appropriated for grants for business and industrial development. The administration has "put in reserve" or impounded \$1 million of this.

COMMUNITY FACILITIES

The phrase "community facilities" covers a lot of programs. I will limit my discussion to some of the most vital—energy distribution, communication, water and sewer systems, and programs for providing community public service facilities, such as community centers, municipal buildings, streets.

At the beginning of this 93d Congress we found ourselves facing the incredible development of an administration that had attempted without legal authority or consultation with the Congress to terminate or severely and adversely reorient a number of programs vital to rural America. The rural electrification and telephone system programs, and the water and sewer grant programs were among them.

The result would have been that rural Americans would have been required to bear a far greater share of the Federal spending control burden that was fair or just. Congress went into action and rewrote the rural electrification and telephone laws to help lift some of this expense so unfairly put upon their shoulders.

Now let us examine what has happened since the Rural Development Act of 1972 became law.

The Chief Executive's words: "An overall growth policy for all America" still echoed in the Halls of Congress, and, the ink was barely dry on the Presidential pen, when the directive was ordered by the White House that instead of a "national growth policy" for the heartland, the authority for determining policy would be delegated to the Governors of the several States.

We were to have 50 State policies—each one separately designed and unrelated—completely opposite from congressional intent or Presidential promise.

The President broke his promise to the people of the heartland.

We were forced to rewrite the law taking this reversal of Presidential support into account.

So we amended the RDA specifically prohibiting the attempted abandonment of a national growth approach.

Bear in mind that the RDA was signed into law in August 1972.

It was not until June 1973, after con-

siderable pressure from Congress that the USDA published its proposed regulations implementing the most important parts of the act—community facility loans and business development loans.

Final versions of the regulations took the administration 13 months to complete.

Not only has the administration begun an endless stall as a means of delay, it has flatly told Congress that it will not administer certain provisions of the act—grants for water and sewer, and solid waste disposal systems.

This produced a fury in Congress. In the appropriations bill for this current year, Congress approved \$150,000,000 for water and sewer grants—the kind of assistance that many small towns and communities must have to protect the health of their citizens as well as improve their chances for wider economic development.

The latest administration abdication of responsibility, bordering on contempt of Congress, is disclosed in a policy letter from Secretary Butz, November 1973, stating that the RDA program would be turned over to the State directors of the Farmers Home Administration.

First the Governors. Now, the State directors of the Farmers Home Administration.

With all due respect and in deference to the thousands of dedicated Americans serving this country in the Farmers Home Administration, this is not the way for the people of the countryside to sit even near the head table when national policy is determined.

Thus, the Presidential promise, followed by administrative performance is a classic example of a medicine show warranty where the large print giveth, but the small print taketh away.

When it was writing the Rural Development Act of 1972, Congress fully realized that community facilities are an essential element in community development. So a new program for providing Federal assistance to communities needing such facilities was developed. Then the Congress authorized the use of \$50 million in community facilities loans for the program. The administration has put into "reserve" \$5 million of that money, despite the fact that thus far it has received 174 loan applications totaling \$67,689,321. And, as of December 30, 1973, only two loans, totaling \$212,000 had been approved.

The health of our citizens and the protection of the natural environment call for modern water and waste disposal facilities. But thousands of country communities continue to be without public water and sewerage systems. More than 11 million homes in the countryside were not served by a public sewer system in 1970 and more than 7 million houses in these areas were not connected to a public water system.

Disposing of solid wastes is another mounting problem—over half of the 4 to 5 billion tons generated each year are dumped in the hills and dales of the countryside.

The Congress responded to these needs by authorizing grants and loans through the Environmental Protection Agency and under the Rural Development Act of 1972, Congress expanded the water and

sewer system assistance programs for rural America. In the appropriations for this current year, Congress provided \$470 million for water and waste disposal loans. When the administration made its State-by-State allocations of these funds, it impounded—or held "in reserve" \$47 million.

The administration has, by unilateral action, chosen to cut back or withhold entirely moneys authorized and appropriated by the Congress for water and waste disposal projects. Congress appropriated \$5 billion for fiscal 1973 and \$6 billion for fiscal 1974 to be allotted by EPA for water pollution control. The administration allotted only \$2 billion and \$3 billion, respectively, for these vital activities. The Congress appropriated \$150 million for fiscal 1974 for rural water and waste disposal grants. The administration initially impounded all of this money. Only under great pressure from local officials and Members of the Congress did the administration recently agree to release \$30 million of these funds.

These impoundment actions have had a shattering effect on the efforts of States and local governments to carry out long-term programs to control water pollution and to protect the environment.

RECREATION

Historically mankind has used leisure time for renewing physical and mental vitality and for gaining new perspectives for dealing with the day-to-day routine for shaping a brighter future. For countryside America establishing recreational areas also has another purpose. They help revitalize the economies of depressed areas while conserving and enhancing some of our most valuable natural resources.

One of the most important Federal programs assisting States like Arkansas has been the land and water conservation fund. The Congress established this fund as a mechanism for allowing persons using recreational facilities to help pay for improving and expanding them. The need in countryside areas is immense.

Yet, for this current fiscal year the administration proposed appropriations at such a low level that States which had embarked on vigorous recreation development programs would have been stymied. Congress recognized this and moved to increase the funds available through the program. This action was taken not only on behalf of the people of the countryside so that they might continue to move toward balanced regional development but on behalf of the millions of persons who stream outward from the congestion of the cities to enjoy the relaxation of the countryside.

Life, even in the countryside, is incomplete unless people have beauty as well as bread.

HEALTH

Good health is essential whether on a farm, in a small town or in a metropolis. Adequate access to doctors, dentists and hospitals and other medical personnel and facilities is necessary to maintaining good health. Yet we find hundreds of country towns and communities not only do not have a hospital or clinic—they do not even have their own doctor.

According to the 1970 census persons living outside metropolitan areas were being served by fewer than half the number of physicians who worked in our metropolitan areas. In metropolitan areas there were 145.7 physicians per 100,000 persons. In nonmetropolitan areas there were only 69.1 physicians per 100,000 persons. While the differences were not as great, there were also significantly fewer pharmacists, registered nurses, and dentists practicing in the countryside.

A study of medical care deficiencies in the heartland made by the Department of Rural Health of the American Medical Association was reported in "Health Care Delivery in Rural Areas." It further underscores the problem I have described by reporting that—

We find that rural people in the more sparsely populated areas have only about one-half the access to physicians, nurses, dentists, hospital beds, and other health resources when compared with the rest of the nation.

For a physician to choose to practice in the countryside he must be assured of having available to him a minimum of basic facilities such as hospitals or clinics. And, they want, rightly so, to be fairly compensated for the services they perform.

Yet we have found that Federal policies established by this administration work against our people. For instance, many small hospitals have been forced to close during the past 2 years because of the manner in which Federal regulations governing their participation in federally assisted programs were drawn. And, despite a physician's professional competence he receives less compensation for participating in federally assisted medical programs such as medicare if he practices in a small town than if his office is in a metropolitan area. It is not difficult to understand why more physicians practice in the city.

In his 1973 budget request the President told the Congress that the Hill-Burton hospital construction program, which had made it possible for thousands of small towns and counties to afford the hospitals they must have, was being ended. Congress refused to abandon the people of the countryside and continued the program. I have found in the brief study which I have been able to give this new budget the President has presented to the Congress today that he is again trying to dump the Hill-Burton program. He is proposing that it be replaced with one which will make the already high cost of being sick even higher. One of every four persons in the country areas is poor. The cost of medical care has been moving ever further out of the reach of their budgets. And, the administration continues to propose programs which make the fight for health more and more a dream than a reality.

TRANSPORTATION

In recent years, and particularly during 1973, the importance of being able to move food from the countryside producing areas to the hungry millions of the cities has begun to receive national recognition. The prod for this has been rising costs. The reasons for the rises are

complex and fall on many shoulders, least of all the farmers. But, that is not what I would discuss in this portion of my response.

The picture that I see, and millions like me who are familiar with the transportation systems of the countryside, is a chilling one. It is a picture of catastrophe in the food and fiber distribution system if the transportation policies proposed by the President and his administration come to reality.

First let us take a look at the comments of the 1972 National Transportation Report of the U.S. Department of Transportation regarding spending for highways in the countryside:

The results of the economic analysis clearly indicate that user cost savings justify far less highway investment in rural areas than in urbanized areas.

The report further quoted an independent estimate that the cost "for reconstruction" over a 22-year period "on rural arterial—road—system was approximately \$21 billion in 1969 dollars."

The Federal-aid highway system is composed of approximately 900,000 miles of roadways. There are strong indications that the administration will propose the dropping of up to 300,000 miles of that system. Since the establishment of the interstate highway program the States have concentrated most of their Federal aid funds on this superhighway network. The result has been the critical deterioration of the countryside roadway network.

The comments of the 1972 National Transportation Report makes it amply clear that at least someone in DOT is aware of some of the rural road problems. Yet the administration has just proposed that the railroads be allowed to abandon at least 78,000 miles of track. Historically abandonments have totalled approximately 46,000 miles—most of it in countryside areas. It is a good bet that this new proposal will see additional thousands of rail miles abandoned in the countryside. But, "don't worry," the administration says—the trucking and barge industries will provide freight service to those areas which the railroads are allowed to abandon.

I agree that there may be good cause for allowing the abandonment of some rail mileage. But, at this time, in view of the transportation network problems in countryside areas, such precipitous action as is proposed by the administration sounds like Ned in the first reader on transportation.

Why?

First, vast regions of the food and fiber producing areas of the Nation simply do not have access to navigable streams on which the waterways industry can operate.

Second, the roadways of countryside America were not built for taking the punishment which would be dealt out by the giant truck transports which would be required to move the agricultural products to railheads or riverports.

Studies of the status of roadways in countryside America which have been completed since 1970 show this:

There are 3,165,895 miles of rural roads, including those which are un-

paved, paved but low loadbearing and those capable of carrying heavy loads. Of these roads only 14.2 percent have been judged capable of carrying the heavy transports which the administration says would take up the slack in freight service created by allowing the railroads to carry out the rail abandonments for which they clamor.

What does this mean to the heartland of America? Unless the Congress forces the administration to take another look at its shallow, short-sighted transportation proposals it means the commitment to countryside development which we have enacted into law will be a still-born dream. It means that the food and fiber industry of the Nation will be threatened with destruction because the machinery, the seeds, the fertilizer essential to production cannot get to the farms.

What does this mean to the millions in New York, Washington, Chicago, Atlanta, Dallas, Los Angeles, and our other metropolitan areas? They will go hungry—or, if they can get food, the prices of 1973 will seem like a pleasant dream.

The States, to which the administration would give the \$21 billion rural road reconstruction bill simply do not have the money. The Congress must take up the standard and mandate the establishment of a transportation program which insures that we have a balanced food, fiber, and people moving system for the whole Nation—not just for the urban areas. We must act to end this threat as we did to end the threat of raiding the highway trust fund for metropolitan mass transit and abandoning nonmetropolitan America's transportation needs.

My analysis of the transportation report is one where the administration turns its back on the people of the heartland.

HOUSING

In 1968, the Congress, in the landmark Housing and Urban Development Act of that year, set a numerical goal of 26 million housing units to be built or rehabilitated over the following 10 years. Six million units were to be for moderate- and low-income families who cannot pay their own way. The President's Second Annual Report on National Housing Goals issued in 1970 reaffirmed these needs. Substandard housing is conspicuously more serious in the country than in the city. In 1970, 2.4 million families in the countryside lived in houses that lacked a flush toilet or a bathtub or shower and some had no piped water into their homes. Over half of these families are very poor—below \$3,000 income a year—and have lost most hope for the American dream. One out of three of these 2.4 million badly housed families is elderly.

Yet, by the President's own figures, only 487,000 housing loans have been provided over the 5 years of this administration. In January 1973, the President suspended all subsidized housing programs and stopped the Farmers Home Administration and HUD from making any new commitments. It took a Federal court order to get the farmers programs reinstated, but the volume in 1973 was reduced to a trickle.

For fiscal 1974, this Congress appropriated \$1.1 billion for low- and moderate-income single family housing. According to newspaper accounts, as our distinguished colleague, Congressman BOB BERGLAND of Minnesota, called to our attention on January 22, \$350 million is being placed "in reserve" and \$400 million is earmarked for rehabilitation of existing housing rather than new construction. Are these new devices of the Office of Management and Budget to thwart the will of the Congress and hold back funds we intended to be committed to country housing?

Due to a massive credit crunch that started in the middle of 1973, housing construction in the countryside, as well as urban areas, has fallen off sharply. Even with the actions recently announced by the administration housing starts in 1974 are likely to be only 1.4 to 1.5 million units—well below the industry's capacity and far below our needs.

GOVERNMENT OPERATIONS

You cannot fly a jet airplane with a washing machine motor and there are certain budgetary requirements to making any Government program worthwhile. However, Federal dollars are only a part of the ingredients of success. One of the most urgent needs of the people of the heartland is to get the Government to give a dollar's worth of dedication for every tax dollar spent.

The Congress appropriates the money, but our responsibility does not end there. We must see to it that the administration manages Federal programs efficiently, effectively, and with honesty. This administration is replete with waste, inefficiency, incompetence, lack of concern for the public interest, and some make a good case for corruption.

In House report 93-705, the Committee on Government Operations points out that untold hundreds of thousands of dollars have gone down the drain.

Due to malmanagement the unanimous report states:

Because of deficiencies in the agency's system for reporting losses, it is doubtful that FHA knows the extent of its default losses, let alone the reasons for such losses. This report clearly shows that significant reasons for default losses include loans to borrowers obviously lacking resources for repayment, inadequate counseling and poor loan servicing. It seems likely, also, that unpleasant and unhealthy living conditions resulting from substandard construction have been a contributing factor in the abandonment by borrowers of FHA financed houses. (House Report No. 93-705, p. 11)

"... Responsible officials have failed to demonstrate an acceptable degree of administrative initiative and competence. Major problems or administrative deficiencies noted during the subcommittee investigation include the following: "Serious and widespread deficiencies in sewer and water systems in rural subdivisions, creating health hazards for FHA borrowers. Substandard construction quality in many FHA-financed homes, both manufactured and of conventional construction."

Many instances in which required FHA construction inspections have been inadequate or have not been made at all.

Inadequate enforcement of builders' warranties.

Approval of rural housing loans to borrowers who are ineligible or clearly lack resources to repay.

Excessive appraisals of property securing rural housing loans.

Failure to provide adequate counseling to borrowers securing loans through "packagers."

Inadequate precautions against use of false and misleading information to obtain loans. (pp. 12-13)

"Because of the unreliability of FHA reports on default losses, the subcommittee has not yet been able to determine how large these losses have been. It is clear, however, that they are much larger than the amount FHA has been reporting." (p. 13)

We find an Administration that issues reports that, in some cases, are "... confusing, and contradictory; ..." while in "... other cases the reported figures are unbelievable." (p. 59)

At this point, I believe it to be important to make a distinction between the administration and the so-called bureaucracy.

The President has referred to "bureaucrats" with disdain. After President Franklin Roosevelt was elected a "bureaucrat" was thought to be a Democrat who had a job a Republican wanted. But that test no longer applies.

Today, there are many people in the Federal Civil Service—the vast majority—who want to do a good job and want to be respected for the work they do. These professional and technical people in Government have too often been handcuffed by political appointees who make up the administration who know little about the programs they are supposed to supervise or simply do not believe in the programs that this Congress has enacted.

The rural development programs are a good example. In 1972 the President called for a rural revenue-sharing scheme. We in the Congress considered his proposals but after careful deliberation we developed and passed the Rural Development Act of 1972, which the administration fought all the way to the Capitol steps.

The President signed the bill into law but refused to recommend funds for key sections of the law, such as rural water and sewer grants. When the Congress provided the money, the President and his Office of Management and Budget impounded.

The civil servants in the Farmers Home Administration were prepared, I am convinced, to do a good job. But they could not get approvals from the political administration.

When regulations were finally issued by the Department of Agriculture for a key element of the law—business and industrial loans to businessmen—the administration proposed to turn the responsibility over to the Governors and State officials, lock, stock, and barrel.

This was not what we in the Congress had intended. Congress acted to amend the RDA to make it clear that this approach was in conflict with the law. This was a bipartisan action in the Congress, led by Senator CURTIS of Nebraska.

Imagine what this administrative trickery did to the morale and spirit of Federal civil service people.

Dozens of Federal programs passed by the Congress have received similar treatment by this administration. And as a result, hundreds of seasoned civil

servants have retired early or quit out of frustration and disgust. Those who stayed on have become more and more dispirited.

This shell game Government is replete with confusion, contradiction, and ineptitude which thwarts the goals of efficiency at the taxpayers expense. This administration is too compatible with waste, nonaccountability, and nonresponsiveness to the intent of the law.

There is a widening sense of suspicion and powerlessness among our people. They feel that the big moneyed interests are favored and permitted to beat the system while John Q. Citizen is stuck with paying taxes to support a Government that is performing poorly.

People are beginning to question the capacity of Government to solve national problems.

This administration is viewed as an expensive, inept structure, more interested in perpetuating an overstuffed political hierarchy than in providing an institution for dedicated and efficient service to the public interest. In short, the system has failed to deliver.

We in the Congress have but one choice if we are to keep our solemn oaths to uphold the Constitution and fulfill the commitments we have to made to our people.

This Congress has the double duty to see to it that the administration carries out the programs that Congress has enacted.

We must exercise extraordinary diligence in performing oversight of Government operations in order to carve out waste so that the heavy burden of this administration can be lifted off the backs of the American taxpayer.

And, finally, as stated by Thomas Jefferson, we must forever strive for "a wise and frugal government, which shall not take from the mouth of labor the bread it has earned."

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

Mr. ALEXANDER. I yield to the gentleman from Kentucky.

Mr. BRECKINRIDGE. Mr. Speaker, I would like to associate myself with the stated purposes and objectives of the gentleman in the well, the gentleman from Arkansas (Mr. ALEXANDER). I would like to thank him if I may for putting in the RECORD the contemporary perspective as far as the relationships that have been posed for the people of the United States and Members of this House as between the executive and legislative branches of the Government.

Mr. Speaker, during the latter part of 1973 the gentleman from Arkansas and I together with other members of the congressional rural caucus called upon the Director of the Office of Management and Budget Mr. Roy Ash to come forward to meet with us for the purpose of determining whether or not the exacerbating relationships existing between the executive and the legislative might in some way be ameliorated by an exploration of the reporting of that office as required by law in the Federal Register of those moneys impounded by the executive branch to which the gentleman in the well made reference today.

As reported in the September issue some \$8 billion of moneys appropriated into law and signed into law by the executive and the legislative branch had been impounded and withheld in violation of the purposes appropriated therefor.

We stated, and I have in a subsequent letter requested of Mr. Ash, that an additional \$8 billion in our opinion have been denied the people in the programs to which the gentleman in the well has referred. I listened to him today and I find that other devices and other avoidances and other techniques and methodologies are evidently being employed by the executive branch to frustrate the will of the people as the law of the land.

I wish to thank the gentleman for bringing these matters to our attention. I want to say to him that I associate myself not only with his remarks, but his efforts to correct these conditions that exist. I say that I appreciate the report.

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

Mr. ALEXANDER. I yield to the distinguished majority leader.

Mr. O'NEILL. I want to congratulate the gentleman from Arkansas on the fine talk that he has given today. Some of us may not be aware of what was actually in the President's state of the Union message concerning the rural problems of America and the gentleman is educating us.

It is very interesting when we note the history of the past few short years. It was back at the start of 1920, approximately 31 million Americans lived on farms. Now there are between 8 million and 10 million on the farms.

At one time when we read the history of Congress, the farm block was the instrumental power in the Congress. Today there are but 25 Members of Congress who represent purely agricultural districts. There are about 115 Members who represent rural areas and suburban areas; and there are 295 Members from the metropolitan and urban areas of the United States.

It was William Jennings Bryan who once said:

Burn down your cities and leave our farms and your cities will spring up again as if by magic; but destroy our farms and grass will grow in the streets of every city in the country.

That is just as true today, because as the economy of the farmer goes, so goes the economy of the rest of the Nation.

Thirty percent of the people of America are employed in food and the transportation of food. Ten million farmers supply the breadbasket of America; so we must be always aware of the problems that face the rural areas and that face the farmers of America. We cannot sacrifice one at the expense of the other.

I am truly grateful to the gentleman from Arkansas for bringing out these wise facts so the rural people of America will be aware of what was in the state of the Union message.

Mr. ALEXANDER. I thank the distinguished majority leader for his consistent dependable support for the legislative programs that are brought before this Congress, that are needed by the people of our countryside. But for

the assistance of the majority leader and the people that he has helped to influence, our plight would be much more difficult.

Mr. MEZVINSKY. Mr. Speaker, I commend the gentleman from Arkansas for his fine remarks. I want to add that as far as the focus of this administration toward programs in rural America is concerned, I think the gentleman has exposed the inadequacies of the administration's proposals. He quite properly points out the need of this Congress to act more responsibly on behalf of people living in rural areas of our country. Again, I applaud the gentleman's very forthright articulate presentation.

Mr. ALEXANDER. I thank the gentleman from Iowa. I yield back the balance of my time.

LAND USE PLANNING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. STEIGER) is recognized for 10 minutes.

Mr. STEIGER of Arizona. Mr. Speaker, H.R. 10294, the Land Use Planning Act, has been ordered reported by the Interior and Insular Affairs Committee and will probably come to the floor the end of this month or early March. At that time, Mr. Speaker, I plan to offer my land use bill, H.R. 11325, as a substitute for H.R. 10294 which is a genuine disaster in the making.

The problems flourishing in this particular Pandora's box are exactly the same problems associated with all Federal programs, but particularly those in areas heretofore ignored. As in the case of OSHA, EPA, the Consumer Protection Agency, the original concept of Federal involvement is conceived in good faith. But, the original concept is totally distorted in its application.

The intent of H.R. 10294 is to encourage and assist the States to plan for the wise and balanced use of their land resources. A reading of what the bill actually says immediately reveals that H.R. 10294 goes much further than encouraging and assisting. Presently, there is a wide disparity between intent and effect.

The proponents of H.R. 10294 are constantly reassuring everyone that the States will have almost total control in developing their land-use plans and that the Federal Government's role will be limited to overseeing their activities, but I would encourage my colleagues to read that bill carefully. Study of the actual wording points out that a passive Federal role is unlikely.

H.R. 10294, as ordered reported, still contains line after line of requirements, criteria, instructions and suggestions that the States must consider or comply with before the Secretary will decide if a State is eligible to receive a grant.

The Federal land-use planning concept was stimulated by exactly the same people who pushed for the Environmental Protection Act, and who delayed construction of the Alaskan pipeline for an unnecessary 4 years, and who have initiated most of the litigation that has de-

layed or canceled plans for the development of new sources of energy.

In this bill the golden opportunity for new litigation on behalf of caustics can be found on every page. The Federal land planning bill calls for States to participate on a voluntary basis in a land-planning process funded by all taxpayers. If they choose to take the first Federal dollar they will be forced to comply with the Federal standards imposed. If past is prolog, all or nearly all States will be unable to resist the "free Federal dollar" and there the fun will begin.

The bill sets up two Federal administrative layers. The first involves every agency, bureau or department of the Federal Government that must be consulted on all State land plans. You can imagine the delay in implementation which that process will entail. Just dealing with a single agency, you know the months and years involved. The second layer of bureaucracy is the Interior Department where there will be established a land-use planning entity to advise the Secretary of the Interior as to whether or not to sign off on any State planning process. More months and probably years of delay.

The administration is said to be officially in favor of the bill. That is nonsense: they are in favor of land use planning but do not have the foggiest notion what is in the bill itself. The Department of the Interior is wildly enthusiastic about the bill for a simple, understandable and publicly unstated reason. The Department of the Interior is losing almost all of its energy responsibilities and in the nature of all bureaucracies is frantic to replace the loss with new and extensive job opportunities.

If we are to have land use planning legislation, it should do what it professes—and no more. Federal legislation in this area of State and local responsibility should be written with a minimum of Federal controls. State and local governments must be free to carry out their constitutional duties and to decide for themselves how their needs can best be met.

Mr. Speaker, H.R. 11325 restores the proper balance between the original intent and the effects of this legislation. It allows the States to decide for themselves the range and content of their plans. It will insure that private property rights will remain unchanged. H.R. 10294 requires the Secretary of the Interior to tell the States which lands within each State he considers to be areas of critical environmental concern of more than local significance, while H.R. 11325 allows the States to determine what areas they consider to be critical.

Mr. Speaker, I have chosen this particular time to announce my intention regarding H.R. 11325 because most of my colleagues will be returning to their districts during the upcoming Lincoln Day recess. I am making the announcement now so that my colleagues will better be able to discuss this issue with their constituents and obtain their views. I am confident, Mr. Speaker, that if the American people really understood H.R. 10294, the vast majority would oppose this in-

fringement on their basic property rights.

AIDING THE VETERAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER. Mr. Speaker, last week President Nixon requested new initiatives to aid and honor the American veteran. In his message to Congress the President proposed that VA pensioners receive a cost-of-living adjustment in their pension payments. This increase would be automatic, similar to those now received by social security recipients. In addition, the President requested \$200 million to provide for an increase of 8 percent in educational benefits for veterans. The message also requested that Veterans Day be changed from the present fourth Monday of October back to the traditional date of November 11.

These steps to honor America's veterans are long overdue. A year ago I sponsored legislation that would tie veterans increases to rises in the cost of living. I also introduced a bill that would change Veterans Day back to its proper observance on November 11.

The sacrifices of the Vietnam veteran as well as all of the other men and women who have served our country well must not be forgotten. Increased veterans benefits and the fitting observance of Veterans Day are two ways the Nation can help repay the enormous debt of gratitude owed to those who have served so well. The President has acted wisely in making these recommendations. The Congress should reward our veterans by acting on these proposals quickly.

WORLD NUCLEAR FUEL MARKET

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, 1 week ago today, at Sea Island, Ga., the World Nuclear Fuel Market was inaugurated. This was an event of considerable international significance. The nature and purpose of the market is set forth in the following article from the February 4 Christian Science Monitor:

BUYING NUCLEAR FUEL AT MARKET—INTERNATIONAL EXECUTIVES ESTABLISH TRADING RULES FOR ATLANTA-BASED FISSIONABLE MATERIALS EXCHANGE

(By Martin Skala)

SEA ISLAND, GA.—To meet burgeoning world demand for nuclear fuels to produce electric power, a commodities market with a novel twist is opening its doors in Atlanta.

Unlike the typical commodity futures exchange, the World Nuclear Fuel Market (WNFM) won't have a big trading floor with arm-waving brokers shouting out bids and offering prices. Speculative activity by the general public will be banned, at least initially. And the buyers and sellers, mostly well-heeled investors, utilities, and nuclear-reactor manufacturers, can't take delivery of the actual product without a government license.

Despite these restraints, Robert Kettner, president of Nuclear Assurance Corporation, is bullish about the rosy prospects for the

first privately organized effort to foster a competitive market in fissionable materials.

PRIVATELY OWNED FIRM

The WNFm marks the first time all aspects of nuclear fuel buying and selling will be accessible through a single, nongovernment entity with a centralized information service. The market will be operated by Atlanta-based Nuclear Assurance Corporation, a privately owned firm with a computerized data bank that keeps track of every known piece of nuclear fuel in the noncommunist world.

Mr. Kettner hopes the WNFm will serve as focal point for handling complex nuclear fuel transactions among various participants in the mining, processing, and using of uranium as an energy source. Aside from government controls over the possession of fissionable materials, the market will respond to normal forces of supply and demand, he says. Like other commodity markets, the WNFm enables businessmen to contract for future delivery of important raw materials, while helping them hedge against unforeseen price swings and other risks.

MONITORED TRANSACTIONS

Each transaction will be monitored by the Atomic Energy Commission to prevent anyone from taking delivery of fuel other than for peaceful purposes.

About 100 nuclear industry executives from the U.S., Japan, and Europe gathered here recently to inaugurate the fledgling marketplace and to approve a set of trading rules.

Industry's solid support of the new venture, Mr. Kettner says, reflects the "increasing attention" being paid to nuclear power as an alternative to increasingly expensive fossil fuels. Today, there are some 40 nuclear power plants in operation in the U.S. and about 82 others throughout the world. By 1984, this worldwide total is expected to reach 450.

This boom in building of atomic power plants, experts say, has to be matched by enormous growth in available supplies of nuclear fuel, which generates the steam heat needed to turn electric turbines.

KEY ROLE

A large-scale nuclear plant with two reactors requires an initial loading of 200 tons of nuclear fuel, valued at \$72 million. Each reloading of the fuel cores, which contain about 3 percent enriched uranium, costs another \$22 million, and is repeated about 30 times over the reactor's lifetime.

By 1980, free world nuclear fuel expenditures, excluding plant and equipment costs, are projected to reach a whopping \$4 billion, according to Mr. Kettner.

As the business opportunities open up, U.S. industry expects to play a key role in the mining, storage, and processing of nuclear fuels.

Although the government once kept a tight grip on the nuclear fuel business, private industry now mines uranium ore, fabricates reactor cores, and recycles the spent fuel for further use.

Only the enrichment of UF-6 ore to upgrade it to U235 (commonly called uranium) is still government monopoly.

The Atomic Energy Commission hopes this will change in the next few years, if industry agrees to make the huge investments to build and operate uranium-enrichment facilities.

A further elaboration on the market and enriched uranium, one of the products, and enriching uranium, of the services, which will be articles of commerce in this market is contained in the following remarks I made to those assembled from at home and abroad for the inauguration:

ADDRESS ON THE OCCASION OF THE INAUGURATION OF THE WORLD NUCLEAR FUEL MARKET

(By Representative Craig Hosmer (R.-Calif.), ranking minority member, Joint Committee on Atomic Energy)

(Sea Island, Ga., 9 p.m. Jan. 28, 1974)

Inauguration of the World Nuclear Fuel Market appears to be a major and auspicious forward step in the development of a free market for nuclear fuel in which the normal forces of demand, supply, exchange and risk assumption can come to play.

In concept this idea is as simple as the old time farmers' market, but in execution it is as sophisticated as the next generation of computers.

That being the case, it is probably no less logical that Sea Island, Georgia, be the place for launching the World Nuclear Fuel Market than it was for Palos, Portugal, a site equally distant from the usual lanes of commerce, to be the origin of Christopher Columbus' voyage of discovery to the New World.

This new market is designed to handle five fungible products and, ultimately, three unique and essential services. The products involved are:

- Natural uranium—yellowcake;
 - Uranium enriched in the isotope U²³⁵—either from the enriching plants directly or as recovered from spent fuel elements;
 - Plutonium and, at a later date U²³³, as nuclear fuels, and
 - Finished fuel assemblies ready and waiting to go into suitable reactors.
- The three services involved are these:
- The conversion of yellowcake to UF₆ for use as a feed in the enrichment plants;
 - The enrichment of uranium in the isotope U²³⁵ by the application of separative work; and
 - The reprocessing of spent fuel elements.

After these various steps in the nuclear fuel cycle there is the separate matter of permanently disposing of a residual of high level atomic waste. That is a different subject about which there is this single absolute certainty: Whatever the supply of these wastes turns out to be, it will consistently and considerably exceed the demand.

In contrast, in the nuclear fuel business there is two absolute certainties:

- (1) Shortages and overages will constantly and simultaneously occur at all links in the nuclear fuel chain; and
- (2) Unless something is done about them, they are sure to take place at most highly separated and inconvenient locations, and under most trying and expensive circumstances.

The World Nuclear Fuel Market being brought about today by the Nuclear Assurance Corporation does something about them. It will function along almost the entire nuclear fuel chain, just as NUKEM in Europe and SWUCO here in the U.S., will be competing in smaller segments of the spectrum. There is plenty of work for all of these forward looking organizations and many more. Untold billions of dollars of billings for products and services will be involved for the indefinite future. Indeed, it is essential for the health of the nuclear and the utility industries and the economies of the Free World that supply and demand for nuclear fuel products and services be as carefully matched, competitively available and economically met as humanly possible.

Nuclear fuel cycle problems are world-wide in scope and impact. Their solutions require up-to-the-minute data, analysis and communication as a basis for commerce. They also demand a market place where requirements, sales, purchases, trades, loans and even options on the products and services involved can be negotiated. And, specialists must be on hand to make, operate and perpetuate the market. A strong feature of WNFm is that it recognizes both the neces-

sarily world-wide scope and interdependence of commerce in nuclear fuels and the depths of the data base as well as the comprehensiveness of communications required to underpin the functioning of such a specialized market. At the same time WNFm will soon discover, if it already does not know, that competition of all kinds must—and will—flourish within that market.

In fact, the Joint Committee on Atomic Energy during many of its hearings, and particularly those in 1963 and 1964 on the Private Ownership of Special Nuclear Materials, has consistently been told the advantages of fostering the normal competitive development of a free market in nuclear materials and fuel. In response, and within the limits of then current security considerations, the Committee expressed that philosophy in the Atomic Energy Act of 1954. During the 20 subsequent years it has legislatively enlarged the application of free enterprise principles on repeated occasions.

On its part the Atomic Energy Commission has followed through with regulations and policies calculated to speed an orderly transition from government to private decision making and risk taking. Only last spring, after detailed hearings by the JCAE and extensive discussions with customers, the AEC issued its revised uranium enrichment criteria. The introduction of AEC long term fixed commitment enrichment service contracts as a successor to requirement type contracts has the effect of shifting a number of the risks in this link of the fuel chain from government to customers in order to more closely approximate the normal conditions of risk assumption by private businesses. These U.S. AEC actions in the enrichment area, of course, have a world-wide ripple effect due to the major fraction of the business it owns and controls, as well as the tendency of other countries to follow the American lead in these matters.

I must caution, however, that my remarks so far should not be interpreted as an optimistic prediction that a truly uninhibited free market in nuclear fuels and services is just around the corner. For good and sufficient reasons a long time will pass before that comes about. Let me recall to your mind just a few of them:

1—Concerning anything atomic there are stultifying clouds of security, classification and trade secret considerations lingering in people's minds, whether or not still relevant to today's circumstances.

2—For reasons of public health and safety, nuclear materials and facilities are subject to rigid licensing and regulation. They are also under major international controls and surveillance because the ghosts of proliferation still stalk the halls of diplomatic intercourse between nations.

3—The capital investments required to carry forward almost any nuclear activity—from opening a mine to disposal of atomic wastes—are staggering, the lead times required for payouts are exceedingly lengthy, and the assurance of profitability is by no means certain.

4—There are uniquely burdensome and costly aspects involved in the transportation, handling, storage and accountability for this industry's fuels. And,

5—As with any new industry, program delays, market uncertainties and the risks of technological obsolescence are all on the high side.

For the foregoing reasons there are at one and the same time barriers to and particularly compelling needs for a world market in nuclear fuels to provide the necessary arena for commerce and a needed flexibility of transactions for both the broad sharing and the substantial reduction of economic risks. I retain my cautious optimism that the development of that market will take place and that it will contribute to the growth and via-

bility of nuclear power utilities, private and public, wherever in the world they are. And, in this dreary era of energy shortages that shines forth as a real bright hope.

All elements of the nuclear fuel chain are of interest, but at this point I will note that the enrichment of uranium is of the most interest to the most people. Thus I will turn now to a closer examination of its aspects.

The Peoples Republic of China has demonstrated a capability to enrich uranium for weapons purposes but has indicated no intention or ability to enter the Free World commercial enrichment market. That leaves the following six suppliers who are now in the market or who indicate serious interest in getting into it:

1—*South Africa*. Over three years ago, during an election campaign, South Africa's Prime Minister let out that his country would enter the enriching business utilizing a new secret process. *PERIOD*. Nothing was said as to when, or the share of the market sought or any other details. Such subjects as these are of considerable interest to me and I am sure to the rest of the nuclear world. So, two years ago I journeyed to South Africa to learn what I could. What I found was simply this: The South African electrical load growth will require installation of several power reactors before the year 2000. The country absolutely refuses to be dependent on outside sources for its uranium enriching needs. Therefore it will spend any amount necessary for its own enrichment facility. To be anywhere near economic, that facility has to be sized considerably larger than needed for purely domestic demands. South Africa desires to penetrate the world market to the extent of this excess, but until the economics of its enrichment scheme become known, its ambitions appear to go no further.

2—*Soviet Union*. For something over five years, the U.S.S.R. has been in a leisurely and somewhat ambiguous pursuit of Free World customers for its uranium enrichment overcapacity. I believe the deal for the Finnish reactor was their first success. Initially the Soviets' sales technique was to shave the American price slightly and to propose contracts which seemed to be translated from the forms used by the U.S. AEC. More lately, they have shown greater independence and imagination. In addition to spot sales they now emphasize a desire to enter long term commitments to supply separative work. France, Japan, West Germany and others have made some spot purchases. As to long term commitments, the Swedes are negotiating a contract and strong Kremlin sales pitches are aimed at the Japanese and Europeans. Although little is known in the West about the economics of the Soviet enriching complex—and probably the subject is just about as murky in the Kremlin—it is generally believed that capacity there approximates that of the United States. The difficulty Soviet enrichment salesmen run into is to convince anybody that Kremlin policies will remain stable over the life of a nuclear fuel supply contract lasting for a decade and more. Spot sales and short term deliveries are one thing. It is quite another to find the courage to rely for many years for fuel to be supplied from behind the unperceivable Iron Curtain.

3—*Canada*. The Brinco Corporation and others have looked longingly at Canada's ample potential for cheap hydropower with the idea of siting diffusion plants there. In the face of a world wide energy shortage, likely to persist for decades, it must be determined whether any longer it is moral to consider a technology for enriching uranium which consumes energy at such a prodigious rate. United States progress with centrifuge technology, which reduces power consumption by a factor of 10 or more, is classified. But recent JCAE testimony by AEC witnesses on the Future Structure of the Uran-

ium Enrichment Industry indicates that sophisticated U.S. centrifuges are being developed which will minimize power consumption while operating for remarkably long periods of time. They are expected to surpass the present and projected economics of any competitor, diffusion or centrifuge. But, to get back to Canada, its hopes for diffusion plants were put in limbo three months ago by a decision of the Canadian Supreme Court. That body has ruled that construction of hydroelectric projects affecting rights of the Canadian Indians cannot continue until native claims are settled in Canada as they had to be in the United States to permit the Alaska Pipeline project to proceed legally.

4—*France*. Sometimes directly, but mostly under the cloak of ERODIF, a semi-public set up, France huffs and puffs about putting in a large European diffusion plant in which other nuclear fuel users such as Italy and Spain, et al, would be involved as investors or customers or both. My own view is that the deal is a mixture of French xenophobia and desperation to cover its bets on some rather large orders given by France to the Soviet Union for future deliveries of nuclear fuel. It is now having second thoughts about depending on this foreign source. Some people doubt that the French can get a big, new technology diffusion plant online on schedule. No one doubts that the economics of such a project are totally unpredictable in French hands.

5—*Ureenco*. This is a multi-national company put together and financed by the British, Dutch and West German governments. It will install enrichment capacity utilizing centrifuges which are believed to be more simple, but less efficient than the American models. Again, I emphasize that all I say is my own responsibility and unofficial. And, with that qualification my assessment of Ureenco is this: (a) With the resources of three major governments behind it, Ureenco is unlikely to go broke; (b) Ureenco's customers can be reasonably certain they will receive on-time delivery of their orders; (c) Ureenco's customers also can be reasonably certain that they will be buying from a very high cost operation and should negotiate airtight ceiling prices unless they want eventually to pay through the nose; and, finally, (d) from my own experience I can tell you that Ureenco may not operate the world's fastest centrifuges, but its propaganda department undoubtedly operates the world's fastest mimeograph machines.

6—*United States*. In the late 1940's and early 1950's the United States sized and built its massive three unit enrichment complex on the basis of requirements for atomic bombs. Even before the complex went online, the H-bomb was invented and the entire investment became obsolete. We took a \$2.5 billion bath. Let that be an object lesson to latter day enthusiasts for spending huge chunks of money to install enrichment capacity. By 1983, almost a third of a century later, the improved and uprated 27½ million separative work units of capacity of the complex will at last be fully utilized. At that time AEC will have supplied upwards from 80% of the aggregate Free World requirements for enrichment services. It will be earning more than \$1½ billion annually in overseas currency on foreign sales. Within 48 months thereafter, the world-wide growth of nuclear power will demand that somebody have on stream a total of 35 million additional new units of capacity. Thereafter 8½ million units will be needed at about 18 month intervals until sometime beyond the year 2000. The average lead-time for building a nuclear power plant is around 8 years. Utilities must be assured of nuclear fuel when a plant is finished so orders for enrichment services are placed when construction starts. For this reason the entire capacity of the

AEC's enrichment complex will be contracted for not in 1983, but 8 years earlier, just about a year from now. The United States is now engaged in an inquiry as to what form the future structure of its uranium industry should take. It must decide the issue this year and be prepared by about January of 1975 to continue contracting to supply additional enrichment services. Otherwise, this field in which it is predominant will be abandoned to competitors.

In closing, since it has been my preoccupation for several years, I would like briefly to tell you how I, as an American, believe the United States enrichment business should be structured.

First of all, I believe we must move from government enterprise to private enterprise as fast as possible. It would be both unconscionable and unfeasible to expect the taxpayers to build an indefinite string of new \$1 billion enrichment plants every 18 months. The problem is with the transition.

The Nixon Administration says that the very next new increments of capacity must be put in by private enterprise. That's OK, except for the fact that private industry at this point doesn't know whether it wants to get into the business at all, or if so, how deep. Yet, if the U.S. is going to continue to earn substantial foreign exchange from enriching uranium, there must be in being credible U.S. entities ready, willing and able to continue contracting to supply the service when the AEC's contracting capacity is used up at the end of this year. If there aren't, then foreign suppliers will grab off the business—just like they would our foreign aircraft sales if suddenly we could no longer sell U.S. commercial airplanes overseas.

All this is complicated by the big bulge of capacity—35 million swu's—needed during the 48 months starting in 1983. We don't have an existing manufacturing capability for enrichment plant components and will have to build one and the plants, too. The front end investment will be enormous. Money is tight. And there's a lot of other problems making it tough for industry to get into this business.

My idea is not to try to accomplish the transition from public to private enterprise in one sudden traumatic leap. It is to use the existing low cost enrichment complex to make an easier, but relatively quick transition. A government corporation—the U.S. Enrichment Corporation—would be formed and the AEC's enriching business transferred to USEC to be run and financed like any other business. USEC could uninterruptedly continue to offer contracts for enrichment services to domestic and foreign utilities. It would research, develop, design, finance and install the first increments of new enriching capacity. In the process, a healthy U.S. manufacturing capability for enrichment plant components would be created and the cost of doing so averaged back on the existing low cost complex. With those heavy front end costs out of the way, and doubts settled about the technology and economics of new enrichment plants, the path for private industry will be made smooth. A gullotine clause would bar USEC from adding any more capacity the moment private industry steps forward to pick up the next new increment of capacity. That ought to accomplish the transition, preserve the U.S. overseas market and guarantee against any nuclear fuel gap. And, if bureaucratic inertia can be swept away, we'll be doing exactly that.

You have been a splendid audience. I am delighted to share such a significant occasion with you. I am honored to do so. Despite my feeble efforts to make this an evening you will always forget, I believe that the future successes of the World Nuclear Fuel Market and its sister organization will truly make this a night you will always remember.

REPEAL OF DAYLIGHT SAVING TIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I share in the concern of many of my colleagues in the House, over the recent legislation to establish year-round daylight saving time. I voted against this legislation and, today I am introducing a bill that would repeal it.

We have all had the opportunity to talk with our constituents at home during the recess, and I think that many of us have realized that the Daylight Saving Act has caused more daily family stress than it has saved energy. I, for one, have not talked with one person, nor received a letter from anyone from my own congressional district who favored this new year-round daylight savings.

I think it is important that we now recognize and face up to the problem and try to rectify it by changing the law. The innocent victims of accidents during these dark hours of the morning are children. The insignificant amount of energy we save cannot be equated with the death of these children.

And in actuality those who conserve energy in the afternoon upon arriving home from work, are using it up the next morning when they arise in the darkness.

So let us now reconsider the grave mistake that was made by subjecting the entire country to the Daylight Saving Act and let us return to the God-given daylight hours.

MR. AGNEW'S PRIVILEGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MOSS) is recognized for 5 minutes.

Mr. MOSS. Mr. Speaker, early last November, I asked the General Accounting Office to ascertain what was being provided Spiro Agnew by the Federal Government in the way of facilities, personnel, and services, if any. In December, after much deliberate delay by the White House, Secret Service and General Services Administration, an interim report was forwarded to me by the Comptroller General indicating the former Vice President was indeed receiving benefits from the Federal Government, and that they were considerable.

Chauffeurs, Government cars, use of Federal office buildings and maintenance, a personal staff and Secret Service protection were and are all available to him. In effect, the interim report proved that aside from leaving office, Mr. Agnew's life style has changed little, if at all.

At my continued request, the GAO went back to its inquiry, seeking further definitive information. Today, a few more facts have been pried loose from the Secret Service. From October 10 to December 15, Secret Service protection of Mr. Agnew has cost America's taxpayers \$89,222, and today still continues. The President requested it and George

Shultz carried out the order, as enclosures to the GAO report indicate.

The Comptroller General does not find any legal basis for provision of such services to the former Vice President. No excuse is offered for this by the White House. No cooperation is volunteered to GAO by the White House. No date for ending such protection is forthcoming from the White House. No explanation of how the people of this country will be reimbursed is given by the White House.

Here again we encounter arrogance, high-handedness, and illegality by the Nation's highest elected authority. Constitutionality and congressional prerogatives are ignored as the people's money is handed out with abandon. Do we wonder that they are outraged and that some are blaming Congress for inaction in the face of such provocation?

I offer the latest GAO interim report at this point for the body of the RECORD for enlightenment of my colleagues:

COMPTROLLER GENERAL
OF THE UNITED STATES,

Washington, D.C., January 28, 1974.

HON. JOHN E. MOSS,
House of Representatives,
Washington, D.C.

DEAR Mr. MOSS: This refers to your inquiry of November 5, 1973, concerning services and facilities provided by the Government for former Vice President Agnew, and to our preliminary report thereon, dated December 14, 1973. As stated in the preliminary report, we had then received a reply to our initial inquiry to the White House but that reply had in turn raised additional questions which needed some clarification. We had not received a response from the Secret Service. Since then, we have received a reply, from a Deputy Assistant Secretary of the Treasury, to our inquiry to the Secret Service and we have, in discussions with White House officials and members of Mr. Agnew's staff, been able to clarify some aspects of the White House reply.

However, we have found it necessary on certain points, as will be discussed below, to make further written inquiry to the White House. Accordingly, we wrote to the White House on December 19, asking for further information necessary to complete our report to you. A White House staff member has advised us that a reply to this letter is in process but has not been completed due, at least in part, to the absence of part of the White House staff from Washington during the last several weeks.

As agreed with your staff, this will therefore be an interim report, to advise you of the additional data we have received, and our conclusions based thereon and to be followed, upon receipt of the reply to our December 19 letter, by a final report.

With respect to your question concerning the truth of various allegations that services and facilities have been made available to Mr. Agnew by the Government, you are advised that the Secretary of the Treasury was requested in writing by President Nixon on October 10, 1973, to order the Secret Service to provide a detail for the protection of Mr. Agnew for a reasonable period of time, and on October 11, 1973, the Secretary requested the Director of the Secret Service to provide such a detail. Copies of the October 10 and 11 memoranda are enclosed. We have been advised by a Treasury Department official that, although no determination has been made as to how long protection will be provided for Mr. Agnew, the Department contemplates that it will be of short duration.

With respect to the allegation that Mr. Agnew has the use of government limousines and drivers, a Secret Service representative

has advised us that, in connection with the protection being given Mr. Agnew, the Secret Service has provided vehicles and drivers to transport him.

It would appear, however, that certain of the other allegations concerning which you inquired are not accurate. There is no evidence of which we are aware that Mr. Agnew has been provided with military aircraft for personal transportation. Between October 10, 1973, and December 15, 1973, Mr. Agnew is reported by the Treasury Department to have taken two trips by air. According to a member of his staff, both were on commercial airlines.

Another reported allegation was that Major General (formerly Brigadier General) John M. Dunn headed Mr. Agnew's staff. Since our earlier report, we have received information which sheds further light on the question of what staff assistance has been provided to Mr. Agnew and specifically on the role of General Dunn. It now appears, as we had suggested might be the case, that those individuals identified on the schedule of personnel provided by the White House in response to our earlier inquiry (a copy of which was enclosed with our December 14 report to you) as being assigned or detailed to the "Office of the Vice President" and to the "Senate Office" have not, since Mr. Agnew's resignation, served as personal staff to Mr. Agnew. Rather, they reportedly performed what might be termed a caretaker function, assuring the continued operation of the respective offices maintained for an incumbent Vice President in his executive role and in his role as President of the Senate, in anticipation of the appointment and confirmation of a successor to Mr. Agnew. General Dunn, having been identified in the cited schedule as detailed to the Office of the Vice President, was therefore incorrectly alleged to have been heading Mr. Agnew's staff of eight. The other five military personnel listed in the White House schedule as detailed to the Office of the Vice President should likewise not be considered as members of Mr. Agnew's staff after his resignation. Rather, it now appears that the "staff of eight" reported to have been assigned to Mr. Agnew was made up of the eight individuals listed on the Schedule as assigned to the "Transition Office." We understand that at least one of the eight has since left the staff. (In view of this conclusion, it is not necessary to consider further the question whether there is any statutory basis for assigning military personnel to assist the former Vice President.)

Our earlier report to you discussed at your request, whether there is any statutory authority and fiscal authorization for, among other things, staff assistance to Mr. Agnew. We then identified the statutory authorities relied upon by the White House to justify the payment of the three staff components identified in the schedule provided by the White House as assigned to the "Senate Office," the "Office of the Vice President," and the "Transition Office," but we left open at that time the question whether the cited appropriations were properly used for such purposes, pending receipt of further information concerning what functions those staffs were performing.

The authority cited for expenditures associated with the Senate Office staff was the appropriation for legislative branch expenses, which provides for clerical assistance to the Vice President (Legislative Branch Appropriation Act, 1974, approved November 1, 1973, Pub. L. 93-145, 87 Stat. 527). As authority for expenditures related to the Office of the Vice President and the Transition Office the White House cited the appropriation for "Special Assistance to the President," in the Treasury, Postal Service, and General Government Appropriation Act, 1974, approved October 30, 1973, Pub. L. 93-143,

87 Stat. 510. That appropriation is for "expenses necessary to enable the Vice President to provide assistance to the President in connection with specially assigned functions * * *."

With regard to the staffs of the Senate Office and the Office of the Vice President, we conclude, based on the foregoing information concerning the functions performed by them, that the use of the cited appropriations for payment of those staffs after the resignation of the incumbent Vice President is proper since the services of these staffs are reportedly necessary either to wind up activities begun while the Vice President held office which were within the purposes of the respective appropriations, or to provide a "caretaker" staff which would take necessary actions to carry on those functions of the Vice President which were also within the purposes of such appropriations, in order that the successor Vice President might assume the same functions with minimum disruption.

We note further in this respect that the cost of Senate staff and the staff assigned to the Office of the Vice President, since they are reportedly not performing any functions for Mr. Agnew, should not be included in the cost to the Government of services and facilities being provided for Mr. Agnew on which you also asked us to report. Accordingly, the total for staff salaries attributable to personnel assigned to Mr. Agnew, which the White House reported to be \$89,132.75 for the period October 10 through December 4, 1973, should be reduced by the salaries of those personnel designated as serving the Office of the Vice President and the Senate Office, leaving for that period a total of \$15,225.24 which is attributable to the salaries of those eight employees assigned to the so-called Transition Office.

With regard to the latter eight employees, we asked the White House in our December 19 letter, to which we are, as noted, awaiting a reply, for the rationale relied upon for funding their salaries from the "Special Assistance to the President" appropriation in Public Law 93-143 in order to answer your question concerning statutory and fiscal authority with respect to that particular expenditure.

In connection with this matter of costs to the Government, we also have some additional information. The Deputy Assistant Secretary of the Treasury, in response to our inquiry to the Secret Service concerning its protection of Mr. Agnew since his resignation, has advised that the cost of Secret Service protection for Mr. Agnew from October 10, 1973, through December 15, 1973, was \$89,222, including salaries and benefits, travel, and miscellaneous expenses. This total was broken down as follows:

October 10-November 10:
Salaries and benefits, \$52,610.
Travel, \$3,028.
Miscellaneous expenses, \$300.
November 11-December 15:
Salaries and benefits, \$32,224.
Travel, \$760.
Miscellaneous expenses, \$300.

In this connection, we discussed in our preliminary report to you the question whether Secret Service protection for Mr. Agnew after his resignation was authorized by law. We then concluded tentatively that we were not aware of any specific provision of law authorizing protection by the Secret Service of a Vice President after he leaves office, but we advised you that we would consider this matter further upon receipt of the legal basis relied upon by the Secret Service for providing such protection. Having been advised by the Treasury Department of its view that the protection is authorized by the above-mentioned directives by the President and the Secretary of the Treasury, we have given the matter further consideration.

In the absence of statutory authority for the protection of the former Vice President, we conclude that the Presidential directive to the Secret Service requesting such protection does not constitute legal authority to provide it.

We hope the foregoing information will be helpful to you. There remain for consideration, as noted, the questions of how long Mr. Agnew will be provided with services and facilities by the Government and whether the functions of the eight staff members assigned to the Transition Office are such as to justify the use of the appropriation for Special Assistance to the President to pay their salaries. As soon as the additional information requested by us on these points is available, we will report further to you.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

THE WHITE HOUSE,
Washington, D.C., October 10, 1973.

MEMORANDUM FOR THE SECRETARY OF THE
TREASURY

Subject: Protection of former Vice President.

You are hereby requested to direct the United States Secret Service to provide a detail for the protection of former Vice President Spiro T. Agnew for a reasonable period of time.

RICHARD NIXON.

THE SECRETARY OF THE TREASURY,
Washington, D.C., October 11, 1973.

MEMORANDUM FOR THE DIRECTOR, U.S. SECRET
SERVICE

Subject: Protection of Former Vice President.

In accordance with a request from the President, a copy of which is attached, you are hereby requested to provide a detail for the protection of former Vice President Spiro T. Agnew for a reasonable period of time.

GEORGE P. SHULTZ.

CONGRESSMAN DRINAN SPEAKS
OUT FOR A TVA FOR OIL AND
AGAINST INCREASES IN NATURAL
GAS PRICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 25 minutes.

Mr. DRINAN. Mr. Speaker, on Friday, February 1, 1974, the Federal Power Commission contributed the latest in a series of insults to the American public. In a time of rampant inflation and energy-cost increases which are out of control the Federal Power Commission, in a divided opinion, doubled the price of natural gas in one of our gas producing areas. This decision is likely to bring increases in consumer fuel bills measured in the many billions of dollars.

The Exxon Corp., in conjunction with six other natural gas producers, requested a rate increase to 55 cents per 1,000 cubic feet—a rate more than double the rate previously approved for the particular region in Alabama where the natural gas is located. Unfortunately, the increase is not the end of higher rates—it is the beginning.

Those who seek to justify the Commission's action in this and similar cases raising the price of natural gas, do so on the basis that the increased price will induce domestic exploration and development. Unfortunately, this argument is without merit. When President Eisen-

hower in March 1959, established mandatory quotas on crude oil and unfinished petroleum products, one of his objectives was to induce this same exploration and development. Yet the drilling record for oil and natural gas in the period of the sixties demonstrates that drilling was approximately cut in half in contrast to the period of the late fifties. The petroleum industry has failed to explore for and develop necessary supplies of crude oil and petroleum products, natural gas, and to increase the attendant refining capacity. The return on equities for the major petroleum companies in the first 9 months of 1973 increased approximately 50 percent over 1972. One can only conclude, in light of the shortages which we have been experiencing, that there are profit opportunities in shortages which are not being overlooked by the oil companies.

Whatever the other factors contributing to the reduction of drilling activity in the United States and the pursuit of opportunities abroad by the giant oil companies, I cannot ignore the fact that the result has been great shortages of natural gas and oil products. Even with enormous tax concessions and other protective laws benefiting the oil companies, designed and implemented to encourage drilling and development to insure adequate fuel supplies, the petroleum industry has resisted incentives to develop our resources at reasonable prices. The major integrated oil companies have been permitted to dominate supply decisions and to enforce monopolistic pricing.

Mr. Speaker, we desperately need a program such as the TVA which gave the Government control over important decisions affecting the price and availability of energy to the American people. I, with other Members of the House, have sponsored such legislation.

The benefit of the independence associated with Government ownership of oil and gas reserves would be great. The Government's access to cost information and to its own available supplies would provide the consumer with energy at the lowest possible price, and would provide the petroleum industry with significant competition. I believe the Congress should give serious consideration to legislation establishing a Federal corporation to operate on Federal lands and off-shore to assure adequate oil and gas supplies at reasonable prices. I believe that such a Federal corporation would be a viable competitive force against the giant petroleum companies. In addition, it would be motivated to develop new supplies in light of broad social objectives concerning environmental protection and consumer needs. It could provide the public, the Congress, and the regulatory bodies with valuable objective information on prices and supplies of petroleum.

When the TVA was established, the country wanted and needed low-cost energy to serve domestic needs. These motives exist today. The Federal Power Commission today relies upon the natural gas companies for information concerning supplies of natural gas. We have no independent method of determining

the extent of these supplies. I believe that competition in the oil and gas producing industry is the necessary complement to legislation which will require greater information and data on that industry to the American people.

Mr. Speaker, I am preparing legislation which would require the full disclosure by major oil companies of all of their acquisitions and joint ventures in the energy field. The major oil companies dominate the production of oil in this country. Those same countries dominate natural gas production in this country. In addition, there have been significant acquisitions by petroleum companies of coal companies, coal reserves, oil shale, and extensions into ownership of uranium ore reserves and uranium milling capacity, both necessary for nuclear power production. I read with amazement a recent report that Texaco, Inc., which previously did not own coal reserves, is acquiring more than 2 billion tons of coal reserves in Wyoming. Similarly, Exxon, Atlantic Richfield, Shell, Sun, Kerr-McGee, and others have purchased vast coal reserve acreage. Recent reports indicating that the giant oil companies plan to move into the nuclear enrichment business and into the construction of nuclear generating equipment is similarly distressing. The giant oil companies are significantly involved in the ownership of uranium ore reserves, and the largest share of milling capacity is controlled by Kerr-McGee.

Mr. Speaker, we must not permit the giant oil companies to take and retain this oligopolistic control of all of our energy resources. The extension of the giant oil companies into other fuel areas is not in the public interest. The acquisition by the giant oil companies of four of the biggest independent coal companies in the last 10 years is the hand-writing on the wall.

Mr. Speaker, I have previously urged the Congress to enact measures to provide special assistance to workers and to communities adversely affected by the energy emergency; to impose an excess profit tax on the oil corporations; to fund research and development on sources of energy other than oil; to abolish the indirect subsidy of the oil depletion allowance; to abolish the foreign tax credit for oil companies; to abolish the mandatory oil import program; to roll back the prices of crude oil; and to pass legislation which would prohibit the giant oil companies from engaging in more than one phase of petroleum operation at the same time. In the long run, Mr. Speaker, the most significant action taken by this Congress will be the divestiture of the giant oil companies of their simultaneous interest in production, transportation, and marketing of energy products. I urge the promptest of action in this area.

TRANSPORTATION AND WASTE DISPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Rhode Island (Mr. TIERNAN), is recognized for 5 minutes.

Mr. TIERNAN. Mr. Speaker, today I am introducing two bills which are designed to remove the economic obstacles of discriminatory transportation rates and to determine and implement the waste disposal method best suited for the maximum conservation of materials and energy. Included in the transportation bill is a provision for the establishment of national transportation rates for recovered materials in order to place these materials on an equal footing with virgin natural resources. My second bill, entitled the "National Resource and Energy Conservation Act of 1974," in addition determining and demonstrating the most efficient method of recovering materials and energy from our waste disposal systems, would attack the problem of antiquated methods of waste disposal in several ways. First, it would establish product standards to minimize the harmful effects of their disposal and would also establish a system of identifying and controlling unsafe disposal practices, and would establish guidelines under which individual States would issue safe waste disposal regulations. Third, it would create a Council on Environmental Representation which would represent those people who are inadequately represented before government bodies addressing environmental questions. My bill would also establish a National Commission on Environmental Costs to study the feasibility of developing a system for internalizing the cost of disposal and the cost of pollution. Finally, my bill would require that the U.S. Government come to the fore in the purchasing of recovered materials by reforming procurement regulations to require the purchase of products which contain, to the greatest extent possible, recovered materials.

America has always nurtured the myth that her resources were virtually limitless—the land of plenty. The fact that during the 20th century the United States shifted from a net exporter of raw materials to a net importer escaped her attention as she clung steadfast to the ideal of an independent, self-sufficient America. In 1973, however, the oil shortage dealt a rude awakening to America and shattered her image of independence by revealing her most vulnerable weakness—dependence upon often unstable and uncontrollable foreign markets.

Americans were forced to admit to the world that we were dependent upon other countries for at least a portion of an essential resource, without which our Nation would be paralyzed. Our immediate reaction was one of self-preservation, declaring that our most important goal would now be the achievement of energy self-sufficiency by 1980. Pushed aside were other national goals as immense efforts were organized to concentrate on America's new national objective. President Nixon bolstered those efforts in his State of the Union message on January 30, 1974, when he said:

As we move toward the celebration two years from now of the 200th anniversary of this Nation's independence, let us press vigorously on toward the goals that I an-

nounced last November for Project Independence. Let this be our goal. At the end of this decade in the year 1980, the United States will not be dependent on any other country for the energy we need to provide our jobs, to heat our homes and to keep our transportation moving.

How incredible it is that we should designate that worthwhile task as our primary goal when we know full well that we are more dependent upon foreign markets for vitally important raw materials than for energy resources. The United States produces over 60 percent of its crude oil needs, yet we are dependent upon other countries for nearly 50 percent of our mineral resources essential to industrial production. Energy without materials can be as disastrous as materials without energy. America need not abandon her goal of energy self-sufficiency, but she must recognize the need to cultivate international cooperation instead of international isolation. We will never be material self-sufficient and must, therefore, develop strong dependable international relationships which will not bend to the persuasive winds of economics or politics.

The very existence of these relationships in the past, however, has fostered the American myth of inexhaustible material resources. Recognizing this fallacy we must embark upon a course of maximum resource conservation by stressing efficiency in the use of materials, and by maximizing recovery and reuse of discarded materials. These along with energy self-sufficiency and international cooperation, should be our national goals. The importance of America developing an attitude of resource conservation is demonstrated by the fact that although we represent only 7 percent of the world's population, we consume 30 percent of the world's natural resource production. Because our needs are so large and so diverse, we must import phenomenal amounts of raw materials every year. In 1970, for example, we imported 1.4 million short tons of chromite—22 percent of the world's and 100 percent of America's 1970 chromite consumption; 7.1 million long tons of bauxite—23 percent of the world's and 85 percent of our 1970 bauxite consumption; and 4.1 million long tons of manganese—15 percent of the world's and 100 percent of our 1970 manganese consumption.

Yet for all our consumption, the United States has become more materials efficient during this century. Today \$1 worth of income can be produced with an amount of raw materials which would have produced only 50 cents in 1900. As a matter of economic necessity, private industry is continuously refining their methods of production in order to achieve a more efficient use of materials. But we must become even more efficient if American prosperity is to continue.

Competition with the United States for raw materials by developing nations will tend to increase prices and limit supplies in the years to come. Industry will not, however, begin to develop the efficient recovery of discarded waste materials because the Government has fettered recovered materials with discriminatory

regulations which make them unprofitable and, therefore, unacceptable to industry, and because we have biased ourselves with an attitude which views used materials as waste rather than as resource.

In the 20th century both of these factors have grown with America. In order to promote America's development we instituted a system of transportation rates which favored virgin natural resources over recovered materials. The end result was that as a nation we began to look upon discarded materials as waste—things to be burned, buried, or dumped. So in the process of promoting virgin materials, we not only wasted countless amounts of recoverable materials, we also increased the pollution of our air, water, and land by disposing of these materials in a careless and oftentimes harmful manner. In 1971, the Environmental Protection Agency estimated that the United States generated 4.5 billion tons of waste. Of the major materials, such as paper, iron and steel, aluminum, textiles, et cetera, which comprised this waste, we recovered 25.2 percent, or 48.1 million tons. As surprising as it may seem, this represents a lower rate of recovery than we had previously achieved. For example, from 1960 to 1969 the percentage of recovered paper declined from 23.1 to 17.8; the percentage of iron declined from 36.1 in 1951 to 30.2 in 1969; and the percentage of aluminum from 7.1 in 1951 to 4.2 in 1969.

If all of the paper, glass, ferrous and nonferrous metals available in our municipal waste systems in 1969 had been recovered, they would have had a monetary value of \$955 million, and would have eliminated 2.5 million tons of air pollutants and 812 thousand tons of water pollutants. Instead of capitalizing on our waste, however, we are reverting back to a system which accepts landfills and incineration as the best methods of waste disposal. Their net yield in benefits to the public is zero. No materials, no energy, no money: only pollution from unsightly dumps to which approximately 40,000 acres of land must be allocated annually in the United States, and pollution from refuse burning which accounts for about 5 percent of our air pollution.

By not maximizing the recovery of those materials which enter the waste disposal system, we not only waste resources and cause pollution, but we also necessitate the generation of large quantities of energy to replace those unrecovered materials. Energy is needed to extract, transport, and process raw materials.

The production of 1 ton of aluminum from raw materials—bauxite—for example, requires 64,000 kilowatt hours of electric power. The same quantity of aluminum can be produced using recovered materials—scrap aluminum—with only 1,300–2,000 kilowatt hours—an energy savings of over 96 percent. By comparison, the average residential consumption of kilowatt hours in the United States is 700 kilowatt hours per month. In terms of total U.S. production and consumption of aluminum this could mean phenomenal energy conservation.

In fact, in 1967 the United States consumed 4 million tons of aluminum, recovered 733,000 tons—18.3 percent—and thus saved 45.3 kilowatt hours.

This conservation of energy and materials holds true for all the other recoverable resources which enter the waste disposal system of the United States, and is the paramount reason to examine our waste disposal practices and put them in line with these goals of material and energy conservation.

All of these steps are directed toward the establishment of a national waste disposal policy which stresses the maximum conservation of materials and energy. The United States must not continue to waste these valuable resources by treating discarded materials as waste rather than as resource.

EMPLOYEE BENEFIT SECURITY ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

Mr. ULLMAN. Mr. Speaker, I am submitting for printing in the RECORD the following explanatory material on the Employee Benefit Security Act of 1974:

SUMMARY OF THE COMMITTEE ON WAYS AND MEANS DECISIONS RELATING TO THE TAX TITLE OF THE EMPLOYEE BENEFIT SECURITY ACT OF 1974

PARTICIPATION AND COVERAGE

Plans would not be permitted to set age and service requirements in excess of the later of age 25 and one year of service; except that a plan that provides full vesting immediately on participation would be permitted to require 3 years of service (instead of one year) before permitting participation in the plan).

Pension plans could exclude employees hired later than the age 5 years before normal retirement (e.g., if normal retirement for a plan is age 65, then the plan could exclude anyone past age 60), if antidiscrimination, etc., requirements are met.

The definition of a "year of service" would be primarily in regulations, but subject to guidelines set forth in the bill, including guidelines for seasonal employees. In addition, authority is to be given to prescribe by regulations the definition of a "year of service" taking into account the customary working period (such as hours, weeks, months, or years) in any industry where the normal work schedules are substantially different from the work schedules that are applicable in industry generally. Under these regulations guidelines are to be set for part-time employees. The definition of a "year of service" to apply in the case of participation and coverage and also in the case of vesting. These standards are to be developed jointly by the Departments of Treasury and Labor.

It is to be made clear that the definitions of "year of service" applicable to the participation and coverage rules and the vesting rules of the bill are not required to be applied for accrual of benefits by years of service. A plan which accrues benefits by years of service may apply any reasonable definition that is consistently applied, so long as it meets the other requirements of the law (e.g., the antidiscrimination rules).

It is to be made clear in the committee report that a person is not to be treated as a participant in a plan merely because the employer has made contributions to the plan

which are affected by that person's work product, if the person would otherwise not be a participant under the rules of the plan. For example, if a plan provides that the employer is to make contributions based on product output (e.g., cents per ton of minerals processed), the fact that the employer has contributed with regard to the minerals processed by a person who has not yet attained the age of 25 does not mean that person is to be a participant if the plan otherwise excludes people who are under the age of 25.

For purposes of applying the antidiscrimination rules, a plan would be permitted to exclude collective bargaining groups where the matter of pension participation or level of pension benefits had been subject to bona fide negotiation. It is to be clear that this is not a further restriction of present law. Also, plans covering air pilots may exclude other groups in testing for nondiscrimination.

All government plans (including Federal Civil Service) are to be exempt from the new participation and coverage standards, but must meet the requirements of present law in order to obtain the tax benefits of "qualified" plans. The Committee on Ways and Means and the Committee on Education and Labor (with consultation of the Treasury and Labor Departments) are to conduct a study of the extent to which it would be desirable to bring government plans under the new Federal standard.

Plans of churches are to be exempt from the new participation and coverage standards, but must meet the requirements of present law in order to obtain the tax benefits of "qualified" plans. A church would be permitted to elect to come under the new standards. The definition of a church for this purpose is to include affiliated organizations already exempt from tax (as religious, charitable, educational, etc., organizations) under the Internal Revenue Code if the employees of such organizations are already covered by the church plan.

VESTING

Three alternative vesting schedules are to be available—each qualified plan must provide for at least as much vesting as the statutory schedule it chooses. The alternatives are:

(1) At least 25 percent vesting by the end of the fifth year of service; the minimum percentage to increase by 5 percentage points in each of the next 5 years (at least 50 percent vested by the end of the tenth year of service) and by 10 percentage points in each of the following 5 years (so that the employee must be fully vested not later than the completion of his 15th year of service).

(2) Fully vested by the end of the 10th year of service.

(3) Rule of 45—i.e., at least 50 percent vested when age plus service equal 45 years; the minimum percentage to increase by 10 percentage points in each of the following 5 years.

The new vesting provisions are to apply to service performed and plan participation before the effective date of the provisions as well as to service and participation on and after the effective date—both for purposes of determining where the employee is on the vesting schedule and to benefits accrued before the effective date. However, service for an employer prior to the effective date is required to be taken into account only if the employee has served at least 5 years with that employer (or under that multiemployer plan) after 1968.

All government plans (including Federal Civil Service) are to be exempt from the new vesting standards, as described above under participation and coverage.

Plans of churches are to be exempt from the new vesting standards, and described above under participation and coverage.

For purposes of applying the vesting provisions, a defined benefit plan must satisfy either of the following two rules as to accrued benefits. First, a plan will qualify if the benefit an individual would receive at normal retirement age is accrued at a rate of not less than 3 percent a year. Normal retirement age for this purpose is age 65 or the earlier normal retirement age (if any) specified for this purpose under the plan. Second, a plan will qualify as to its rate of accrual, if the rate of accrual with respect to any year is not more than 1½ times the rate of accrual for any other year (except that additional "front-loading" is to be permitted for the first 10 years).

Benefits which are "nonforfeitable" may nevertheless be suspended during periods when the retiree returns to employment with that employer (or in that same industry, in the case of a multiemployer plan.) Any such suspension is to cease when this subsequent employment ceases.

Faster vesting than the minimum required under the vesting provisions of the bill is not to be required for purposes of meeting the discrimination rules unless (1) there is a pattern of abuse (such as firing of employees before they vest in their accrued benefits), (2) there are forfeitures or accruals which tend to benefit the highly paid, or (3) even though the forfeitures tend to benefit the employer (by reducing the cost of his contributions), the highly paid tend to have a substantially greater share of the remaining accrued benefits.

The Secretary of Labor may, as to individual multiemployer plans, provide different vesting schedules after notice and hearing.

Highly mobile employees would be permitted to have faster vesting in exchange for lower levels of benefits from pension plans, while still satisfying the antidiscrimination requirements.

The vesting provisions are to become effective over a 5-year transition period. In general, in 1976, 50 percent of what would otherwise be the employee's vested benefits must be vested; in 1977, 60 percent; in 1978, 70 percent; in 1979, 80 percent; in 1980, 90 percent; and in 1981, 100 percent.

The Secretary of Labor is to conduct a study, and, if feasible, develop regulations modifying Federal procurement practices to protect persons employed under Federal contracts against loss of their pensions resulting from job transfers or loss of employment resulting from modifications of Federal contracts. The results of the study are to be reported to the Congress within 2 years of the date of enactment and the regulations are to be developed within 1 year of the date of submission of the report. The regulations are to take effect unless either House of Congress within 90 days after submission of the regulations to the Congress adopts a resolution disapproving of the regulations.

FUNDING

The following minimum funding rules are to be applied to qualified defined benefit plans (present funding rules are to continue with regard to defined contribution plans such as profit-sharing plans):

Normal costs are to be funded currently. Past service costs arising before the bill's effective date (including past service costs arising because of the bill's participation and vesting requirements) are to be amortized not less rapidly than in equal installments (including principal and interest), in the case of an existing plan, over 40 years; past service costs arising in the future are to be amortized not less rapidly than in equal installments (including principal and interest) over 30 years.

Experience deficiencies are to be amortized not less rapidly than in equal installments

(principal and interest) over 15 years; experience gains are to be amortized not more rapidly than in equal installments (principal and interest) over 15 years or may be used to offset unamortized portions of experience losses.

Experience gains and losses generally are to be calculated every three years. However, the Secretary of the Treasury may provide by regulations for more frequent calculations, e.g., where a plan is in poor financial condition.

Multiemployer plans are generally subject to the same requirements as other plans, except that: past service liabilities arising in the future may be amortized over 40 years (instead of 30 years); and experience deficiencies may be amortized over 20 years (instead of 15 years). Additional period of up to 10 years in each of the funding categories may be granted by the Secretary of Labor; also the Secretary of Labor may provide different funding schedules after notice and hearing.

If funding requirements are higher under a second general standard which is based on accrued "vested" liabilities, this standard is to apply in lieu of the rules set forth above. Under this standard, accrued vested liabilities are determined, as also are the value of the plan's assets. To the extent the former exceeds the latter, one-twentieth of this amount plus interest is to be paid in the current year. A new determination is made in each of the succeeding years.

The present rule with respect to deductions that past service costs may not be amortized more rapidly than at the rate of 10 percent of the amount of such costs, is changed to permit amortization not more rapidly than in equal installments (principal and interest) over 10 years. (Because of increasing interest costs, the present 10-percent rule generally takes at least 13 years for complete amortization; the committee decision in effect permits faster amortization.)

The funding requirements for any year may be waived by the Secretary of the Treasury on a showing of hardship and that the waiver would not be adverse to plan participants in the aggregate. Any such waived amount must be amortized not less rapidly than in equal installments (principal and interest) over 15 years; these amortization requirements are not to be waived; and no more than 5 such waivers may be granted in any 15-year period.

For purposes of applying the minimum funding standards, plan assets generally are to be valued on the basis of any reasonable actuarial method of valuation which take into account fair market value and is permitted under regulations. At the election of the plan, bonds generally may be valued on an amortized basis from initial cost to par value at maturity or call date.

Regulations are to be provided under which determinations are to be made as to which actuaries are qualified to provide actuarial certifications as to the reasonableness of the assumptions used in determining funding levels. An actuarial advisory board is to assist the Treasury in establishing such standards and in determining methods of reviewing the reasonableness of given sets of assumptions in particular cases.

An employer who fails to contribute the minimum amount required for the year (after consideration of any waivers) is subject to an excise tax of 5 percent of the additional amount he should have contributed. If he fails to contribute the required amount after having been notified by the Service of his initial failure, a 100-percent excise tax is imposed. These taxes are not to be deductible.

All government plans (including Federal Civil Service) are to be exempt from the new funding standards, as described above under participation and coverage.

Plans of churches are to be exempt from the new funding standards, as described above under Participation and Coverage.

PORTABILITY

The Social Security Administration is to maintain records of the retirement plans in which former employees who are not yet retired have vested benefits and is to provide this information to plan participants and beneficiaries on request and also upon their application for Social Security benefits. It is to be made clear that the Social Security Administration is not guaranteeing the accuracy of the figures prepared by the employer but is merely maintaining for the employee's benefit a copy of a record that the employer had previously submitted to the employee. In the case of a multiemployer plan, regulations are to provide for the circumstances under which the plan administrator is required to file the information necessary when a person has terminated employment under the plan.

Present law would not be changed with regard to transfers from one qualified plan to another and would not be changed to create a governmental portability fund.

INSURANCE

Termination insurance is to be dealt with only in the Education and Labor title of the Employee Benefit Security Act of 1974.

REPORTING AND DISCLOSURE

The Committee's title of the bill is not to provide for reporting and disclosure, other than those matters dealing with the Internal Revenue Code and the use of the Social Security Administration as a clearinghouse for information as to vested benefits.

FIDUCIARY

The Committee's title of the bill is not to provide for fiduciary provisions as such.

ENFORCEMENT

An office (headed by an Assistant Commissioner) is to be established in the Internal Revenue Service to supervise and direct the basic activities of the IRS in connection with employee retirement plans and tax-exempt organizations. Appropriations are authorized at the rate of \$70 million per year for such administrative activities.

Employers and, under certain circumstances, employees are to be permitted to appeal to the Tax Court in the case of adverse decisions by the Internal Revenue Service regarding tax status of employee plans or trusts.

The Internal Revenue Service's determination letter regarding the tax status of a plan or trust, and the application papers (except to the extent they indicate the compensation of any participant are to be made available to the public).

LIMITS ON CONTRIBUTIONS

Annual benefits under tax-deferred qualified defined benefit plans are not to exceed the lesser of (1) \$75,000 or (2) 100 percent of pay in the high three years of compensation. There is to be no adjustment in this 100-percent limit for the age at which the retirement benefits starts. The \$75,000 annual limit is to be adjusted downward actuarially where the benefits begin at an earlier age than 55; however, in no case will the limit be adjusted to less than \$10,000 a year. The annual limit is to be cut back on a pro rata basis where the recipient of the retirement benefit has had less than ten years of service with the employer. In appropriate circumstances the upper limits are to be adjusted upwards for increases in the cost of living.

No actuarial adjustment is required to be made in the maximum annual limit on benefits under defined benefit plans where ancillary benefits which are not related to retirement are provided. For example, no downward actuarial adjustment in the limit is to

be required for disability benefits before normal retirement age, medical benefits, and death benefits before normal retirement age. In addition, no downward adjustment is to be made for a normal joint and survivor feature.

In the case of defined benefit plans, where a plan was in effect on October 2, 1973, the employee will be permitted to receive a pension from a qualified plan, based on his annual rate of compensation in effect on October 2, 1973, and the plan provisions in effect on that date, even though this would yield a pension benefit in excess of \$75,000 per year. However, no cost of living adjustment would be permitted to a pension to which this elective "grandfather clause" applies.

In the case of defined contribution plans (profit-sharing, money-purchase, etc.), the contribution for any one person for any one year is not to exceed 25 percent of compensation (taking into account up to the first \$100,000 of that person's compensation for that year). The contributions subject to this limit are the contributions by the employer, the forfeitures allocable to that employee's account, and the contributions by the employee.

In counting employee contributions for purposes of the \$25,000 annual limit on contributions on behalf of any employee under a defined contribution plan, there is to be excluded the greater of (a) employee contributions amounting to 6 percent of compensation or (b) one-half of the employee's contributions.

Provision is made for coordinating the annual contribution limit under defined contribution plans and the limit on annual benefits under a defined benefit plans, where the same individual is covered by both a defined contribution plan and a defined benefit plan established by his employer. Under this coordination procedure the sum of (1) the percentage utilization of the maximum limit under the defined benefit plan and (2) the percentage utilization of the maximum limit under the defined contribution plan cannot exceed 140 percent.

In the case of an H.R. 10 plan, a self-employed individual would be permitted to make deductible contributions to the plan in amounts up to the lesser of 15 percent of earned income or \$7,500 per year.

H.R. 10 plans are to be subject to the same \$75,000 per year annuity limit as applies to corporate plans. This limit is to be applied after other limits on contributions, etc.

A contribution for a given year may be deducted for that year by a cash basis taxpayer if it has been made no later than the due date for the taxpayer's return for that year.

In the case of an H.R. 10 plan, no more than \$100,000 of compensation may be taken into account for determining the minimum contribution that must be made on account of other participants in order to satisfy the antidiscrimination requirements of the Internal Revenue Code.

In the case of an H.R. 10 plan, a conversion table may be used to translate the maximum permitted contribution levels (in defined contribution plans) into corresponding levels of benefits applicable to defined benefit plans.

INDIVIDUAL RETIREMENT ACCOUNTS

An individual is permitted to establish—if he is not covered by qualified retirement plans, government plans, or section 403(b) "tax-sheltered annuities"—an individual retirement account, which is to be tax exempt. Deductible contributions for any one year may be made, up to the lesser of \$1,500 or 20 percent of compensation. The retirement account may be provided by an individual for himself or through an employer or labor union.

SALARY REDUCTION PLANS, ETC.

The Treasury Department is not—before March 16, 1975—to adopt regulations or otherwise administer present law in such a way as to disallow income exclusions under salary reduction plans and cash-or-deferred-profit-sharing plans that have been allowed in the past. Similarly, so-called "cafeteria plans" (involving choices such as longer paid vacations, life insurance, etc.) are to be allowed where corresponding salary reduction plans and cash-or-deferred-profit-sharing plans would be allowed.

If a contribution to a governmental plan is designated by that government as an employee contribution, then it is not deductible or excludable by the employee, unless the employer government actually "picks up" the cost of the employee's share and does not withhold it or otherwise secure it from the employee.

LUMP-SUM DISTRIBUTIONS

Lump-sum distributions from qualified employee plans, to the extent attributable to post-1973 service, are to be taxed as ordinary income, subject to 10-year averaging. The tax on the ordinary income portion of the distribution is to be computed as though the distributee had no other income and no deductions. That part of the distribution that is attributable to pre-1974 service (apportioned on the basis of time of service, not on the basis of when a particular contribution to the plan was made), is to be taxed as capital gains. If part of the distribution is in the form of an annuity policy, the current value of the annuity policy would not be taxed, but it would be used in computing the tax on the remaining portion of the distribution. This rule is to apply to lump-sum distributions to owner-employees (from H.R. 10 plans), as well as to lump-sum distributions from other qualified plans.

GENERAL

In general, the limitations of the title are not to apply unless the plan is a qualified plan or receives tax benefits similar to those of qualified plans.

Each qualified plan that provides for annuities must offer the option of a joint and survivor annuity. The option is to be such that a joint and survivor annuity applies unless the participant elects not to receive it in this form after receiving a written explanation concerning the terms of the annuity. The survivor annuity must be at least half of the amount payable under this option to the participant during the joint lives of the participant and his spouse. A plan which provides supplementary benefits for a participant's spouse is to be treated as a joint and survivor benefit, for purposes of meeting the joint-and-survivor benefit options required to be offered by qualified plans.

Variances are to be permitted to be granted, in the case of multi-employer plans, where either the funding or the vesting rules otherwise required by the bill would cause serious economic hardship and would not be adverse to the interests of plan participants in the aggregate. Variances may be granted to the extent necessary to make continuance of the plan likely. Multiemployer plans are to be defined as plans, (1) to which contributions are made by more than one employer, (2) which are subject to collective bargaining agreements, (3) no more than 50 percent of the contributions to which are required to be made by any one employer (with special rules where this 50-percent limit is exceeded), and (4) which meet such other requirements as may be prescribed in regulations.

Department of Labor sanctions and preemption of State laws are to be dealt with only in the Education and Labor Committee title.

If an amount is withdrawn (other than by way of lump-sum distributions) before age 59½ (unless withdrawn on account of death or disability) from an individual retirement account plan or by an owner-employee from an H.R. 10 plan, then there is to be an additional nondeductible tax of 10 percent of the amount withdrawn.

A qualified plan is required to commence payment of benefits no later than 60 days after the end of the year during which the latest of the following events occurs: the participant reaches age 65, leaves his employment, or reaches the 10th anniversary of the start of his service, unless the participant agrees otherwise in writing.

A retirement plan maintained in Puerto Rico for individuals employed there would be treated as a tax-exempt plan meeting the requirements of section 401(a) of the Code, if the plan meets the requirements of being a qualified retirement plan under Puerto Rican tax law.

A deduction would be allowed for the funding by a U.S.-owned corporation of severance or retirement benefits required to be paid under foreign law to nonresident aliens employed outside the United States, if the payments are based upon length of service, are funded, are not discriminatory and the foreign country involved allows deduction of the payments at the time of accrual.

Railroad retirement plans (funded under the Railroad Retirement Tax provisions of the Internal Revenue Code) generally are not subject to the provisions of this bill.

If a plan elects to have the rules of the bill apply earlier than the regular effective date, its election is to apply to the joint and survivor annuity requirements and similar rules, as well as those relating to participations, vesting, and funding.

In the case of an existing plan for a union's employees, the plan's provisions are to apply after the union's second convention after the bill's enactment, but not later than December 31, 1980.

If an existing multiemployer plan is subject to more than one collective agreement, the provisions of the bill are to apply at the expiration of the last current collective bargaining agreement, but not later than December 31, 1980.

The United Mine Workers is to be permitted to separate its welfare and pension plan trusts and the employers still qualify for the deduction under section 404(c) of present law. In addition, the provision is to continue to have application to amounts contributed to a trust after it becomes a qualified plan. In determining whether a pension plan is a qualified plan, individuals who were participants in the plan as of July 1, 1974, are to be treated as employees or former employees even though some of them technically were self-employed or formerly self-employed. These provisions are to apply with respect to years ending on and after June 30, 1972.

ALASKA PIPELINE CONSTRUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

Mr. DINGELL. Mr. Speaker, several months ago I communicated to the Secretary of the Interior my concern over reports that a third-party contractor was to be appointed to oversee construction of the trans-Alaska pipeline. I was apprehensive that this contract might be used to eliminate Government employees from positions of effective supervision over pipeline construction

activities, notwithstanding that these Federal employees might be better qualified than any others to handle these responsibilities.

Soon thereafter, I was visited by Mr. Jared Carter, Deputy Under Secretary of the Interior, and was told that my fears were without ground; that the third-party supervision was to be firmly under departmental control, and was to be concentrated in areas where the Department had no expertise and would find it unnecessarily expensive and burdensome to hire full-time help.

I then wrote to the Department to put my concerns formally on record, to be sure that there were no misunderstandings on the part of the Secretary or myself on these questions. I have recently received a response to my letter from the Under Secretary which appears to provide a complete response, and I think that this is of sufficient importance that it should be set forth in complete form in the RECORD.

I intend to maintain oversight over the progress of the construction of the pipeline, and to see that the Department's intentions, laudable as they appear to be, are followed out. I have no reason to suppose that they will not be, but we will maintain the watch in any case. The response follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, January 17, 1974.

HON. JOHN D. DINGELL,
House of Representatives,
Washington, D.C.

DEAR MR. DINGELL: This is in further response to your letter of November 6 concerning our plan to contract with a third party the performance of certain functions associated with the trans-Alaska pipeline.

For ease in following, we will set out your letter's several questions below, together with our answers.

Q. 1. Under what authority do you claim the power to delegate the Federal Government's oversight responsibility to a third party contractor, to see that the pipeline company satisfies its contractual obligations during construction of the pipeline? If operation and maintenance of the pipeline also are to be supervised by outside contractors, please provide similar authority.

A. 1. There will be no delegation of our responsibility to anyone. The Department intends to perform fully all of its obligations and meet all of its responsibilities. That is why we are engaging a third party contractor.

One of the larger functions of the Department's Authorized Officer will be to review the Permittee's designs and to assure conformance to the technical and environmental stipulations. This will require a relatively large number of personnel of high expertise in a wide variety of disciplines to be available in the early stages of the project. Also, a number of individuals with a high order of competence will be required at construction sites along the length of the pipeline when unexpected or particularly difficult problems are encountered. Many of these people are simply not available as Federal employees. Thus, by employing a private company (the third party contractor) with its flexible employment practices, we avail ourselves of individual professional personnel at the several locations of design review and construction for the various intensive, often brief, efforts required. The engagement of the third party contractor obviates the need, and the diffi-

cult if not impossible task, of rapidly assembling and then disbanding such an organization of Federal employees.

So it is, that the third party contractor will be called upon to furnish individuals and groups of individuals at the direction and service of the Authorized Officer.

One other principle must be delineated. We will seek the highest order of competence available to us. Thus, in some areas, the highest competence is already present within the Department (U.S. Geological Survey and the Bureau of Sport Fisheries and Wildlife) and within other agencies of the Federal Government (U.S. Army's Cold Regions Engineering Laboratory). In such cases, these sources and their personnel will be at the service of the Authorized Officer.

We anticipate that most biological and botanical and some geotechnical disciplines will be obtained through Federal employees.

The immensity and urgency of the project will exhaust for a period all available man-hours of effort in some disciplines. Thus, in order to perform our functions properly, it is not a question of employing or not employing outside people, but only a question of the optimum method.

Also, please be advised that at this time the Department of the Interior has no plans to employ a third party contractor to assist it during the operational phase of the trans-Alaska pipeline.

Q. 2. Cite applicable precedents for this delegation of responsibility to a third party contractor.

A. 2. We have investigated the matter thoroughly and discovered that indeed other Government agencies have very successfully utilized similar procedures. The National Aeronautics and Space Administration, for example, has contracted in the past with one of our prospective third party contractors to provide engineering design review, construction surveillance, and subcontractor management on a complex liquid oxygen pipeline project which was constructed at the Kennedy Space Flight Center. Representatives of this Department have discussed the project at length with NASA representatives and, in fact, NASA has reviewed and commented at length upon our third party contracting concept, policies, and procedures. In addition, other agencies such as the Atomic Energy Commission and the General Services Administration utilize contractors in a similar manner on their larger projects to assure adherence to the engineering and construction design criteria.

Q. 3. What qualifications do you propose to require of companies bidding for supervision contracts?

A. 3. The third party contractor must be a capable and experienced firm able to supply the needed disciplines and total manpower. We have instructed prospective contractors to tell us, among other things, what similar contracts they have performed in the recent past, their arctic experience, their relationships, if any, with the permittees and Alyeska, the estimated percentage of their total workload this contract would constitute, names and resumes of key personnel, etc. Using information supplied by the prospective contractors, and data collected by ourselves, we will evaluate each offer to ascertain whether that firm can adequately perform the tasks set out in the contract.

Q. 4. What authority do you propose to retain in order to see that the contractor is properly carrying out its responsibilities? What authority, if any, will be assigned to the pipeline company over the actions of the contractor?

A. 4. All the final decisionmaking authority will be retained in the Department's Authorized Officer. As indicated, the third party contractor will be a fact-gatherer. His func-

tion will be to deliver to the Department highly complex and diversified data and reports so that we may have available all of the facts touching upon a particular problem. The sole authority that the permittees and Alyeska will exercise over the third party contractor will be that of enforcement of camp rules while our contractor is in one of the Alyeska work camps. Neither the permittees, Alyeska, nor any of their contractors, subcontractors, etc., will have any authority at all over, or to direct the functions of, the third party contractor insofar as work under our contract is concerned.

Q. 5. Precisely what are to be the responsibilities of the contractor? To whom will the contractor report? What restrictions, if any, will be imposed upon its ability to look into any aspect of the construction program it chooses? To what extent will it be able to monitor the effects of any recommendations that it may make to the pipeline company, or to the United States Government?

A. 5. (Summarized above.) Also, the restriction upon our contractor's investigation of any aspect of the pipeline construction will be that it must clear such activity with the Authorized Officer. The Authorized Officer may find the contractor's reasons for investigating a particular item or aspect of construction persuasive, but the Authorized Officer will also have available to him input from all other elements of the Federal Government. Our contractor will not make recommendations to the owners. All reports and data, including any recommendations made, under the terms of the contract will come to the Authorized Officer. He may then make recommendations to the owners and concomitantly, as to the third party contractor, to follow up or monitor actions or changes arising therefrom.

Q. 6. What consequences, if any, will follow in the event of any disagreement with the findings or recommendations of the contractor on the part of:

- your Department,
- any other agency of the Federal Government,
- the pipeline company,
- the public, or
- by any Member of Congress?

A. 6. (a) Our decision on the findings and recommendations of the third party contractor is final and binding insofar as the contractor is concerned.

(b) Other Government agencies may use data and reports furnished by our contractor but, as with the Department of the Interior, the final decisions are theirs and are not appealable by the contractor. In (a) and (b) the concept is that the contractor furnish information to the Government and we will make the final decisions. We may ask the contractor for his opinion but he may in no way challenge our final decision.

(c) The permittees and Alyeska may appeal our decision, but the third party contractor is not a party to that dispute.

(d) and (e)—same. Congress and the public may appeal or challenge our decisions but the decisions are not those of the third party contractor.

Q. 7. Who is to pay the cost of this oversight by the third party contractor? If it is to be the pipeline company, what control over the contractor's activities will this entail? If not the pipeline company, why not?

A. 7. Among costs incurred by this Department incident to the proposed project, the cost of the third party contract will be totally reimbursable to the Treasury of the United States by the permittees. No control will be exercised over the third party contractor's activities by the pipeline company except as indicated in answer number four above.

Q. 8. What have you budgeted for oversight of the construction of the pipeline

construction, both within your agency and with respect to the contractor, in terms of (a) dollars, (b) personnel, and (c) equipment?

A. 8. An amount of \$7.1 million is available in the Bureau of Land Management's current appropriation and approved supplemental for oversight of pipeline activities. Of this amount, \$5.6 million is the estimated cost of the third party contract; and \$1.5 million would be for BLM personnel and related costs. A total of 44 BLM personnel is included. This may not prove to be a final figure since personnel needs will be affected by third party contract provisions and formation of the Authorized Officer's interdisciplinary field team. Equipment included in the third party contract estimate will cost \$50,000; requirements to equip the Bureau of Land Management's employees total \$20,000.

Additionally the Geological Survey has available \$850,000 to provide for 29 personnel and an equipment budget of \$28,000. The Bureau of Sport Fisheries and Wildlife has approved \$450,000 to provide for 13 personnel and an equipment budget of \$33,000.

Sincerely yours,

JOHN C. WHITAKER,
Under Secretary of the Interior.

BURKE PROPOSES LEGISLATION TO EASE BURDEN OF SOCIAL SECURITY PAYROLL TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, today with three of my colleagues from Ways and Means, I am proposing legislation to reduce the rate of social security payroll tax from its present 5.85 percent to 3.9 percent. My proposal would apply the tax to a much greater segment of earned income, raising the wage base, subject to the payroll tax, to \$25,000. In addition, the bill would provide for a three-way split of the payroll tax burden among employers, employees, and the Federal Government's general revenue.

Social security is this Government's major spending program affecting more people directly than any other Government program. In short, it is this Nation's major expression of social concern for its citizens. It is high time the burdens of the program were spread more evenly throughout the population. The obligation of financing the social security system falls too heavily on the lower and middle income people of the working force. The regressive feature of the present social security tax actually penalizes their working and it is a long time before they reap the benefits of their labor.

This proposal would also have great appeal for the business community. An employer's share of social security tax would be decreased, giving them a tax break and releasing a considerable amount of money for reinvestment and expansion.

I fail to understand why this approach has not been adopted before. Since social security's inception, using general revenues has been recommended at regular intervals by various advisory groups beginning with the very first committee

on economic security in 1935 to the advisory council on social security in later years.

The wage earner who is earning \$13,200 in 1974 is now paying \$772.20 a year, or \$140.40 more than he did last year. How much longer can the wage earner accept the social security payroll tax that is heavier for 50 percent of the work force than personal income taxes?

This bill will also benefit domestic industry and prove to be helpful to small business as a result of the reduction from the present 50 percent social security tax assessed on business to 33 percent. Many of our trading partners operate under the three-way social security split proposed in my bill thereby affording them an advantage over our domestic industry relative to cost and production.

Any attempt at tax reform this year is meaningless without some easing of the regressive social security tax, and I hope to push this proposal through with other tax reform measures soon to be considered by the Ways and Means Committee.

Congressman CORMAN of California, Congressman GREEN of Pennsylvania, and Congressman VANIK of Ohio, all members of the House Ways and Means Committee, have joined me in introducing this legislation today. We welcome your support and will be asking for your cosponsorship in the week ahead.

THE FISCAL YEAR 1975 BUDGET: FABLE, FICTION, AND FANTASY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, last year's budget was a budget filled with deceit and manipulation; it was a controversial budget which sought to dismantle and destroy dozens of programs through executive fiat and the juggling of budget numbers.

This year's budget is a dull, plodding document—without direction, without fire, without purpose. It is a bureaucrat's budget—there are general increases in most programs and some attempts at reorganization. It is a budget out of touch with reality—seemingly unaware of the dangers confronting the Nation. Like the President's state of the Union message, the budget reads like a fairy tale. There is no recognition of the fact that unemployment is skyrocketing. There is no hard, real program for energy research and development. There is talk of the "New Federalism"—but for the first time statistics show that the "New Federalism" is a myth and a hoax—it stands revealed as a will-o-the-wisp.

The President's new energy program—as pictured in the new budget—is so low-voltage, it guarantees a dim light. The funding for new research and development is inadequate, and most of the energy budget is simply old money for old agencies. The budget's failure in the area of energy is so serious that I will be making a separate address to the House, ana-

lyzing the President's proposals and the budget's shortcomings

UNEMPLOYMENT

Unemployment and the fear of unemployment now faces millions upon millions of Americans. The President says that there will be no recession—but the economic report of the President describes a recession. There are echoes of the Hoover administration in recent comments from the White House. Our unemployment problems will not go away just because we pretend not to see them. We cannot define them away—we cannot just say that 2 plus 2 equals 5. Yet the administration is preparing the way for saying that it is unrealistic to have 4 percent unemployment as our "full employment" definition. The administration's economists would like to say that 4.6 percent is the "goal," thus washing out the work hopes of half a million people. This is unacceptable. We must face the fact that we face serious unemployment problems and we must begin to act to solve those problems.

From figures in the Budget, it is clear that the administration anticipates the expenditure of an additional \$1.5 billion in unemployment compensation benefits. Yet it does nothing to head off unemployment. Available housing construction funds are down, reinforcing the depression in the homebuilding industry. The level of assistance to our major cities is scheduled to be less in fiscal year 1975 than in fiscal 1973. The Economic Development Administration, which makes loans and grants to areas of high unemployment, is cut by \$70 million. While the American people continue to complain about the adequacy of Postal Service and long lines at local post offices, the Postal Service plans to reduce its employment by 3,200. But most shocking is the fact that this budget assumes the termination of the Emergency Employment Act at the very moment it seems most critically justified. This program, which provided over a billion dollars in fiscal year 1973 to local governments for hiring personnel, is being phased out by June. The act, as now written, is designed to provide funds to local governments where unemployment is more than 6.5 percent. Many of our major automotive manufacturing cities already have unemployment way above 6.5 percent. The failure of the administration to provide for the continuation of this program—and you may be sure that we in the Congress will fund it—is typical of the Alice-in-Wonderland quality of much of the budget.

NEW FEDERALISM

In the words of the President:

The New Federalism calls for Federal support in meeting national problems, and holds that State and local authorities are best able to make decisions.

Yet the level of Federal support is declining, particularly to those communities which need it most. For example, it is estimated that total fiscal year 1974 grants-in-aid will be \$44.1 billion while fiscal 1975 grants will amount to \$46.6 billion. Even allowing for discrepancies, due to inflation, the real purchasing

power of Federal aid will decline by about \$1.5 billion. In other words, the level of Federal grants is not keeping pace with inflation or the costs of governmental services. This can be seen by one of the tables in the special analyses, which shows that in fiscal year 1973, Federal aid was 23.5 percent of all State and local expenditures. But in fiscal year 1975, the level of Federal aid will decline to 22.4 percent. While many communities can and should be able to handle all their local needs, all too many of our major cities have suffered under the so-called New Federalism.

THE BUDGET AND TAX REFORM

The budget is virtually mute on the subject of tax reform.

The President has proposed an "excess profits tax" on windfall profits in the oil industry. According to the budget, this tax will bring in \$900 million in 1974 and \$2.9 billion in 1975. Unfortunately, the administration's excess profits tax is really an excise tax—a tax that will be paid by the consuming public. This is not tax reform—it is a new blow at the individual taxpayer.

The President has also proposed a change in the minimum tax on wealth. This change touches the extremely wealthy with a featherduster—it is no substitute for real tax reform and reduces Federal revenues by \$1 billion. In addition, the administration has asked for a program of liberalized deductions for individual contributions to private pension plans. This proposal will cost the Treasury nearly \$1 billion—and half of the benefits will go to individuals with more than \$50,000 in annual income. This is not tax reform—it is disguised welfare for the rich.

The need for new tax reform is desperate. The President's own tax returns have proven the need for tax reform. The belief that the tax code is unfair, the example of the President, and the case of the former Vice President are all contributing to a decline in respect for the American tax system. As a result, this budget contains an increase of nearly a quarter of a billion dollars for an additional 5,200 new IRS employees.

I believe that we must get to the root of declining compliance; we must provide for tax reform and tax simplification. A public interest tax group—composed of tax experts, economists, and accountants—has just estimated that in fiscal year 1975, tax subsidies will amount to \$68.6 billion. While some of these subsidies are justifiable, many are not, and most favor those with the largest incomes.

For these reasons, my priority in the 93d Congress will be to work for thorough tax reform, designed to restore confidence in the tax system and to provide revenues needed to solve our national problems of unemployment, energy, and pollution.

The first major legislative battles for tax reform will come this spring, during consideration of the taxation of oil companies and the extension of the public debt ceiling bill.

THE BUDGET—AND ITEMS OUTSIDE THE BUDGET

The Office of Management and Budget has done an excellent job in describing

the wide range of programs which exist outside of the budget—and which usually receive little or no congressional review.

It is my hope that the new budget control legislation being considered by the Congress will provide for limitations and controls on the fantastic growth of federally-guaranteed and insured loans. For example, between fiscal 1974 and 1975, guaranteed loans will increase by \$14.5 billion, to a total of \$257.5 billion. It is important to control these taxpayer-backed commitments, because they are volatile and unpredictable—yet they have an enormous impact on the state of the economy. As the special analyses of the budget states:

Borrowing from the public—whether by the Treasury or by an agency—has a significant impact on financial markets and thereby on the economy, and it is consequently an important concern of Federal fiscal policy.

In addition to their impact on the economy, these loans and guarantees constitute subsidies—subsidies which should be reexamined from time to time.

For example, this year, the Export-Import Bank, which makes 6 percent loans to developed countries such as Japan, Sweden, and the Soviet Union, is seeking a \$10 billion increase in its loan and guarantee authority. During fiscal 1975, the Bank expects to make \$5.57 billion in new taxpayer-backed commitments. According to the special analyses this will amount to a present value public subsidy of \$518 million, in order to sell about \$13 billion in private export goods. In view of the already excessive export demand, I believe it is time that we ended this type of subsidy and permitted private banks to manage export credits.

THE QUALITY OF THE BUDGET—ESSENTIAL AND NONESSENTIAL EXPENDITURES

The budget is mildly expansionary in an effort to soften the blows of unemployment. Personally, I fear that it may not be "full employment" enough. Yet I understand the fear that too large a budget would continue the galloping inflation.

Therefore, at the present time, I would support the same general level of expenditures as proposed in the budget—but there are a number of programs which I would increase and a number of others which I would reduce or terminate. In short, I seriously question the priority of many of the items proposed in this new budget.

I do not understand the need for a continuing subsidy of over half a billion dollars for ship construction and operating support. The CAB continues to provide over \$60 million for rural airline service—a service which a number of economists have said is inefficient, uneconomical, and energy wasteful. In fiscal 1975, the Department of the Interior's Bureau of Reclamation will spend \$429 million—\$53 million more than last year—on irrigation projects. The National Water Resources Commission has pointed out that these projects are a waste of money, have an unfavorable cost/benefit ratio, and cause serious environmental problems. For example, because of past Bureau projects on the Colorado River, we will be spending \$100 million in fiscal 1975 to lower the salinity of the Colorado as it flows into Mexico.

I question the need for the Selective Service System's continued existence—yet the Service will receive an appropriation of \$47 million in the coming fiscal year. Further, despite record exports of agricultural goods, high farm prices, and a new farm program, the level of appropriations for the Department of Agriculture farm support programs is as high as ever, and appears to be above the \$5 billion mark. It is incredible that the Budget should provide higher agriculture subsidies for an industry which claims to be self-sufficient and which is making unprecedented profits, exporting production to a point where pressures have driven up domestic prices and shortages have developed.

Finally, an examination of the administration's budget plans for military spending shows that fiscal year 1975 will be basically more of the past: A gradually declining number of total active manpower, coupled with significantly increasing amounts of money obligated to retirement pay; extremely large amounts of money devoted to research and development and military construction; and questionable instances of planned budget expenditures.

While it is difficult, if not impossible, to reduce personnel costs, especially with an all-volunteer force, the additional needs of the Defense Department and the cost of a voluntary military service can be balanced by savings in the withdrawal of some of the 310,000 men—and their dependents—assigned to NATO.

Despite failures, technical and managerial, in several of the high-powered weapons systems of the past, the administration's budget remains committed to spending large sums of money for similar, but even higher-powered weapons. But as administration experts would say of social and human welfare problems, you cannot solve problems by "throwing money at them." Despite that administration maxim, billions of dollars of Federal moneys will be thrown at national defense in fiscal year 1975.

The Secretary of Defense's office itself, with an estimated budget of \$50 million in fiscal 1974, is budgeted for a 500 percent increase, to \$266 million in fiscal 1975. We need more streamlined chains of command—not more headquarters staffs.

The total national defense budget for fiscal 1974 of over \$80 billion stands to rise even higher this year—perhaps breaking the \$100 billion mark, but surely reaching an increase of over 15 percent. At the same time, most other Federal agencies were fortunate if they got a full inflation allowance increase in their budgetary levels.

National defense seems to be committed to a "high risk" policy where literally billions of dollars are poured into research and development, construction, and procurement operations which promise a sort of all-or-nothing result. Either the finished product lives up fully to its advance billing, or it is highly unreliable, impractically expensive—like the F-111 that this budget now proposes to partially resurrect. Logic would instead dictate a lower risk building program with more inexpensive weaponry. But this reasoning has escaped the De-

fense Establishment in what has come to be an unfortunate bidding war for Federal moneys.

An important aspect of the annual national defense budget is the growing proportion of supplemental requests. Of close to \$10 billion in supplemental requests in this budget for the remaining 5 months of fiscal year 1974, well over 60 percent are from defense agencies. The Congress should take steps in this area to see that the plans presented in the annual budget are adhered to as closely as possible. If a consumer knows there are free second helpings, he is less likely to buy a full meal for the first course.

There are a number of areas, however, where I believe more priority should be given. Manpower and employment assistance, education, and health are areas I believe deserve greater emphasis. The health budget, in particular, is worth further comment.

Although the overall health budget is up about \$2.5 billion over the 1974 estimates, that figure alone is not a true reflection of the situation. Most all categories of health spending are down, or remain similar to last year, except one: medicare which has higher spending levels because of a congressional mandate and rising costs—not administration commitments.

Many programs have been cut out completely, while others have suffered budget slashes of from 10 to 60 percent. For example, project grants for maternal and child health care, last year funded at over \$104 million, have been dropped.

Reorganizations, like the reshuffling that was to accomplish more efficient administration last year, have also eliminated programs: Buildings and facilities of health services is so reorganized, its reappearance elsewhere is impossible to locate. Emergency health, last year budgeted at almost \$6 million, is the victim of an "orderly phaseout" with its civil disaster health responsibilities assumed by "other agencies and programs."

The President's boast of more moneys for heart and lung and cancer research was correct. But what he neglected to tell the country in his state of the Union address was that the other eight National Institutes of Health research activities got not even an inflation allowance in the way of an increase.

In the Health Resource Administration, cuts to support health education, to improve geographic medical services distribution, and to encourage hospital construction—all so important as we seek to provide for a workable national health security system—will result in reductions of about \$600 million from a 1974 budget of \$1.1 billion.

The administration's commitment to the American people is perhaps nowhere better illustrated than in its health budget.

OHIO AND THE FEDERAL BUDGET

The budget contains little good news of special interest for Ohio. While the average national per capita distribution of Federal aid is now about \$212.30, the Great Lakes region, including Ohio, re-

ceives only about \$169.80 per person—the lowest rate in the Nation.

The Lake Erie wastewater management project of the Corps of Engineers is increased from \$200,000 to \$670,000. The Corps is also increasing its study of lake water levels from \$60,000 to \$370,000. Unfortunately, our area does not need any more studies. The lake is now at an unprecedented, historic high level. What we need is action—not paperwork. Not only is there no action on beginning lake level controls, but reserves for disaster assistance are way down. A single serious storm on Lake Erie today could wipe out the entire SBA disaster loan fund for fiscal year 1975.

Because of the administration's decision to impound \$3 billion in fiscal year 1975 waste treatment construction funds, the efforts of the Great Lakes States to clean up the lakes will be severely crippled. This impoundment decision—made in the face of repeated court decisions that impoundments are illegal—will create uncertainty and confusion throughout our area. It will increase costs to local governments and delay the start of needed treatment plants. Further, the administration's failure to provide special emphasis on the problems of the Great Lakes constitutes a violation of our water quality agreement with Canada. If we do not meet our commitment with Canada to clean up the lakes, we cannot expect their cooperation on questions of Great Lakes water levels regulation and use.

The new budget provides for some new construction at the NASA Lewis Research Center; \$2,580,000 will be used for modifications of the propulsion systems lab, while \$660,000 will be required for the modification of the rocket engine test facility.

The energy crisis, however, opens up the possibility for a great new future for Lewis. As the NASA center which has specialized in many propulsion systems, Lewis could be—and should be—the headquarters of a national drive to create new forms of more efficient propulsion systems. As a center which has been heavily involved in energy research—and which is now engaged in major work in wind power—Lewis could be the center for the entire national energy independence project. This goal should be the goal of all Ohioans and all members of the Ohio congressional delegation.

There is no specific mention in the budget of the Cuyahoga Valley National Historic Park and Recreation Area. But again, the energy crisis lends a new argument for the creation of this recreation area. Long-distance vacation trips will no longer be attractive to most Americans. We must, therefore, establish new recreation areas near our urban centers. The beautiful, undeveloped Cuyahoga Valley between Akron and Cleveland should be No. 1 on the list of new parksites, of placing—as the President has said—"parks where the people are."

In fiscal year 1975, the Interior Department's land and water conservation fund will make \$196 million available for parkland grants to State and local governments. We must insure that in Ohio, those grants are used for acquiring and protecting the open lands of the Cuya-

hoga Valley. In addition, \$98 million will be for direct Federal purchase of parkland. Less than half that amount would insure the preservation of the valley and the creation of one of the finest parklands in the United States. All of us in the Lake Erie basin region must make this one of our priority goals in fiscal year 1975.

These observations on the budget are made within the timeframe of hours, since the budget was submitted only late Friday afternoon. During the next several weeks, I expect to make further detailed comments on the data contained in the 1,700 pages of the budget, a budget written in a manner which submerges truth and intention.

BILL TO ESTABLISH RULES OF EVIDENCE IN COURTS AND PROCEEDINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 30 minutes.

Mr. HOGAN. Mr. Speaker, on Wednesday of this week, the House is scheduled to consider the final passage of H.R. 5643, a bill to establish rules of evidence in courts and proceedings.

As a member of the Subcommittee on Criminal Justice of the House Judiciary Committee, I can attest to the many hours of deliberation that were spent on this bill. I am in strong disagreement with several sections of this bill and plan to offer the following two amendments when the bill comes to the floor.

Amendment offered by Mr. Hogan to H.R. 5643 to amend rule 609(a):

Strike out lines 1 through 4 on page 83 and insert in lieu thereof the following:

(a) General rule.—For the purpose of attacking the credibility of a witness, evidence that he has been convicted of a crime is admissible but only if the crime, (1) was punishable by death or imprisonment in excess of one year under the law under which he was convicted, or, (2) involved dishonesty or false statement regardless of his punishment.

Amendment offered by Mr. Hogan to H.R. 5643 to amend rule 801(d)1.

Strike out lines 20 through 25 on page 90 and lines 1 through 5 on page 91 and insert in lieu thereof the following:

(1) Prior statement by witness. The declarant testifies at the trial or hearing and is subject to cross-examination concerning the statement, and the statement is (A) inconsistent with his testimony, or (B) consistent with his testimony and is offered to rebut an express or implied charge against him of recent fabrication or improper influence or motive, or (C) one of identification of a person made after perceiving him; or

I urge my colleagues to give these amendments their careful consideration and vote for their adoption when I offer them.

LAND USE DICTATORSHIP—IT'S COMING!

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, many Members of the House have been seriously disturbed with the land use bill which

has passed the Senate and is awaiting action in the House. The dangers inherent in the language of this legislation are spelled out in an editorial in the December 1973 issue of *Progressive Farmer*. Since this editorial appeared, the House Committee on Interior and Insular Affairs has reported a land use bill. The report is not yet available on this bill. It is not possible at this time to understand fully what is proposed in the House bill. Hopefully it represents a decided improvement over the Senate language.

I submit the *Progressive Farmer* editorial for printing in the RECORD:

LAND USE DICTATORSHIP—It's COMING!

One of the basic rights given Americans by our founding fathers was the right of private property. It is as important as the rights of free speech and religion.

The right of property ownership in the United States is envied by the world. It's the vital difference between capitalism and communism. There is little argument that because of the special heritage of individual ownership of land American agriculture is the most efficient industry in the world today. Clear title to land is the base of the ability of each American producer to provide food and fiber for his family and approximately 50 others—at the least cost in history.

Land ownership is now more seriously threatened than at any time in our history. There is a piece of legislation—it has already passed the U.S. Senate and is ready for House action—that would severely limit a property owner's right to decide what use he will make of his land.

Flying under the misleading colors of "protection of the environment," the legislation is labeled "The Land Use Policy and Planning Assistance Act."

This legislation is designed to force each state to develop and implement a state land use planning program including strict use regulations. A "club" is provided in the bill that would allow the Federal Government to force the states and individuals to comply.

Some type of land use planning indeed may be in the best interests of agriculture and all of America. But such a policy should also protect the basic rights of landowners to determine for themselves the best use for their land, so long as such use doesn't constitute a public hazard or nuisance. Moreover, actual planning should be delegated to the local level—to people who are familiar with land use patterns, capabilities, and needs in the immediate area, and who are answerable to local citizens.

The land use bill currently being considered by Congress provides no such safeguards. Therefore, it should be opposed by every landowner.

TRIBUTE TO JACK MARSH

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, it is with mixed emotions that I deliver this tribute to our former colleague, Mr. Jack Marsh. Since the spring of 1973, Jack has been the Assistant Secretary of Defense for Legislative Affairs. He will soon assume a major new assignment with another of our former colleagues, the Vice President of the United States. Therefore, I am delighted that Vice President Ford is gaining the service of a truly able and great American. But I am saddened that the Department of Defense and, therefore, the House of Rep-

resentatives, will be deprived of his able services and his personal and efficient attention to the cause of a strong and secure America.

Jack Marsh was the first Assistant Secretary of Defense for Legislative Affairs, filling a newly created position with the Department. He brought to that important post a rare set of skills. Jack is first an American and as a patriot and because he was a former Member of this body he understood its processes and its needs as well as any one of us. He had been a distinguished member of the House Appropriations Committee and, therefore, was fully familiar with that vital legislative process. In his new assignment he worked hard to build new bridges of communication and understanding between the Department of Defense and the Congress. He was astute in his judgment as he participated in the process of building a dialog between senior members of the Department and Members of Congress. In looking back on 1973, no one would argue that the first session of the 93d Congress was a challenging one for the Defense Department. Jack Marsh did outstanding service in smoothing out the many difficulties and he contributed to the enactment of a defense program which will well serve the Nation. We who have served in the Congress and benefited from Jack Marsh's ability, dedication, and warm sense of humor will miss him as he leaves Defense and we say welcome as he assumes his new responsibilities with the Vice President of the United States.

I include at this point in the RECORD a copy of Jack Marsh's biography and also the press announcement of his new assignment with the Vice President:

BIOGRAPHICAL SKETCH: JOHN O. MARSH, JR., ASSISTANT SECRETARY OF DEFENSE—LEGISLATIVE AFFAIRS

John O. Marsh, Jr., former Democratic member of the U.S. House of Representatives, became Assistant Secretary of Defense for Legislative Affairs April 17, 1973. He was nominated by President Nixon April 9 and confirmed by the U.S. Senate April 13.

Mr. Marsh was born in Winchester, Va., August 7, 1926. He attended public schools in Harrisonburg, Va., and was graduated from Washington and Lee University (LL.B.) in 1952. He began practicing law at Strasburg, Va., where he also served as Town Judge.

A veteran of World War II, Mr. Marsh was commissioned in the Army at the age of 19. He completed Parachute School at Ft. Benning, Ga., in 1964. He is now a lieutenant colonel in the Virginia National Guard.

In 1962 Mr. Marsh was elected to Congress from the Seventh Congressional District of Virginia where he served on the House Committee on Appropriations, Interior and Insular Affairs Committee, and the Veterans' Affairs Committee.

In 1963, Mr. Marsh introduced legislation to establish the American Revolution Bicentennial Commission. The Speaker of the House appointed him a member of the Commission and he assisted in drafting the national plan for the Bicentennial.

In Strasburg he originated and directed Jaycee projects on patriotism: "Liberty Tree," selected as outstanding Jaycee project in the United States in 1959 and awarded the George Washington Medal of the Freedom Foundation; "Silent Sentry" of 1960 won national honors and received the George Washington Medal of Freedom Foundation also.

The Virginia Jaycees named him "Outstanding Young Man in Virginia—1959."

Mr. Marsh married the former Glenn Ann Patterson of Kenbridge, Va., and Winston-Salem, N.C. They have three children: John O., III, 18, Rebecca Patterson, 15, and Scot Wayland, 14. He and his family are members of the Presbyterian church.

—JOHN O. MARSH, JR.

Assistant Secretary of Defense John O. Marsh, Jr. is joining the staff of the Vice President as his Assistant for Defense Affairs.

Marsh, 47, was elected to four successive terms in the U.S. House of Representatives as a Virginia Democrat. He served as a member of the Appropriations, Veterans Affairs, and Interior and Insular Affairs Committees, and was the author of the original legislation to establish an American Revolution Bicentennial Commission.

In addition to liaison responsibilities, Marsh will be the principal military adviser on the Vice President's staff, taking over some of the duties which have been performed by Major General John M. Dunn, USA, the Vice President's Senior Military Assistant. General Dunn is retiring from the Army to accept a civilian position.

A graduate of Washington and Lee University Law School in his native Virginia, Marsh practiced law from 1952 until his election to Congress in 1962 and resumed the practice of law in Washington after retiring voluntarily from the House in 1970. He served as a town judge in Strasburg, Virginia, as executive secretary of the Strasburg Chamber of Commerce, and as a member of the Shenandoah County School Board. Marsh returned to government service a year ago when he was named by President Nixon to be Assistant Secretary of Defense for Legislative Affairs.

Marsh was named "Outstanding Young Man in Virginia" by the Virginia Junior Chamber of Commerce in 1959. He also received the Distinguished Service Medal of the American Legion's Department of Virginia. A graduate of the Infantry Officer Candidate School at age 19, Marsh is a veteran of World War II, a qualified Paratrooper, and a Lieutenant Colonel in the Virginia National Guard.

Marsh is married to the former Glenn Ann Patterson of Kenbridge, Virginia, and Winston-Salem, North Carolina. They make their home with their three children in Arlington, Virginia.

AMERICAN PEOPLE SUFFER DEPLETION WHILE OIL FIRMS GET ALLOWANCE

(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, the major oil companies, with the help of the Nixon administration, are using the present energy crisis to enhance their own wealth and influence and to gouge the public.

A year ago, the price of heating oil in my district was about 17 cents a gallon. In May of this year, it was 20 cents. In November, it averaged 34 cents. Now the Cost of Living Council has announced that the oil companies may raise their January prices 2 cents a gallon over and above their normal price increases.

The rationale for this latest increase was that it would encourage the industry to produce more home heating oil and less gasoline from crude oil. What the administration neglected to tell the public was that the refineries are already

producing heating oil at full capacity, and there is no possible way that they could increase their production by more than 1 or 2 percent.

Thus, at a time when fuel costs have doubled within a year, Mr. Nixon has granted new increases which have no justification other than the greed of the petroleum industry. Despite the record profits of these firms in 1973, we are asked to believe that they need more money. All of this proves that big oil has been made to feel comfortable in the oval office, while most American citizens will be shivering in their homes this winter.

In addition to price gouging, the major oil companies are attempting to gain control of all gas stations in the country and then divide the country into exclusive markets, in violation of the antitrust laws. Five percent of the service stations that were open a year ago are now closed.

But that is not the end. The greed of the oilmen, supported by an indifferent administration is spreading like oil on the waters and polluting everything it touches. The truckers, the independents particularly, are going the way of the independent gas station operators. In a word, they are going out of business. With diesel fuel prices doubling and "fuel-saving" speed limits arbitrarily imposed causing further increases in operating costs, the prosperity of the oil companies is being gouged from the hide of these small businessmen dollar by dollar.

The slowdowns, stoppages, strikes, and simple inability of independents to continue to operate are toppling the economy like so many dominoes. The transportation slowdown is tearing at an already strained economy. While most others suffer, corporate oil profits soar, small businessmen of all description are forced to the wall and beyond, and the public pays for the preferential treatment of the select few.

Another, and classic, example are the thousands of small plastics companies—manufacturers of everything from plastics bags and toys to tooth brushes and heart valves—who are being forced out of business, because they cannot get the raw material from the petrochemical industry. In my own congressional district the situation is critical. The same is true in Los Angeles, Chicago, Philadelphia, and elsewhere. Small factories, some employing up to a couple of hundred people, are locking their doors, because the raw materials—polyester resins—being produced are being sold by the oil giants only to their own subsidiaries.

There is no fair distribution of supplies by these fully integrated industrial giants when they are left to their own devices. They have shown no intention of sharing their good fortune with the little guys, with the neighborhood businessman, or the consumer. Gulf, and Exxon and the others of the oil giants are selling raw material only to their own companies while thousands of employees of the small independents go unemployed.

And so we have the independent gas station owner, the independent trucker, and the independent businessman and manufacturer squashed by the greed of big business and the indifference of the

administration while the economy, unemployment, the cost of living, and even national security totter closer to the brink. So far the President of all of the people has been serving only some of the people. Platitudes, promises, and public relations are not enough. Someone in the administration had soon better understand that, and do something about it.

WOODROW WILSON—UPSTAIRS

(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, last Sunday, February 3, marked the 50th anniversary of the death of Woodrow Wilson the 28th President of the United States. In recent years, our Nation has lacked the moral leadership and statesmanship which characterized the life of Woodrow Wilson. His obsession with the achievement of world peace was matched by his concern for the less fortunate among his fellow citizens.

When Wilson died in 1924, less than 3 years after leaving the Presidency, many tributes were paid to him in the Congress. In my opinion, however, the most appropriate eulogy was a fictional one which appeared in the film "The Farmer's Daughter." The screenplay came from the pen of Allen Rivkin, who has kindly granted me permission to read this eulogy today:

EULOGY

Mr. Speaker, today I don't want to make a speech. I want to tell you a story about a doctor named Sorenson, who lived in a small town. He was a good doctor, but the rich people in this town didn't like him because he told them the truth a little too often about their imaginary sicknesses.

Things got bad for Dr. Sorenson, and he moved across the tracks to the poor section of town where people needed him, but didn't have the money to pay. He worked for them, anyhow. They would give him a bottle of milk when he cured a sore throat, or a loaf of bread when he set a broken leg.

Dr. Sorenson couldn't afford a regular office. He practiced in the room he lived in, upstairs over a livery stable. The shingle outside was a simple little sign that read: "Dr. Sorenson—Upstairs".

Well, even doctors get sick. And after working years with these poor people, Dr. Sorenson got sick and he died, and all those people who loved him, and whom he loved, buried him. They wanted to put up a big, marble, monument, but they just couldn't afford it. So they took the sign from the stable, and put it over the doctor's grave. There it stood and that was his monument.

Today a President has died. Only a short time ago his dream, the League of Nations was killed by people who couldn't stand the truth. But his dream shall not perish from this earth. It will live in the hearts of good, common people. For over the President's grave the people have placed their everlasting monument, which like the doctor's—read simply: "Woodrow Wilson—Upstairs."

THE W. TURNER WALLIS PUMPING STATION

(Mr. ROGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROGERS. Mr. Speaker, today I am introducing a bill to rename pumping structure S-5A of the Central and Southern Florida Flood Control District to be designated as the "W. Turner Wallis Pumping Station" in memory of the late W. Turner Wallis, the first secretary-treasurer and chief engineer of the Central and Southern Florida Flood Control District.

Mr. Wallis was noted for his knowledge and expertise of the land-use and water problems of this beautiful area of Florida. He was most influential in getting the flood control project off to an early and progressive start. The project is vitally important to flood control and in the preservation of the ecological balance of the region, as well as assuring adequate water for agricultural, industrial, and domestic uses.

In memory of Turner Wallis and on behalf of the Governing Board of the Central and Southern Florida Flood Control District, supported by the U.S. Army Corps of Engineers, I submit this bill to the Congress and urge that it be given careful consideration by my colleagues on the Committee on Public Works.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MATHIAS of California (at the request of Mr. RHODES), for the week of February 4, 1974, on account of official business.

Mr. BAFALIS (at the request of Mr. RHODES), for today, on account of official business.

Mr. HALEY (at the request of Mr. SIKES), for 1 week, because of death in the family.

Mr. KETCHUM (at the request of Mr. RHODES), for today and tomorrow, on account of official business.

Mr. McSPADEN (at the request of Mr. O'NEILL), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FLOOD, for 60 minutes, today.

Mr. ALEXANDER, for 60 minutes, today.

Mr. ANDERSON of California, for 20 minutes, today.

(The following Members (at the request of Mr. MEZVINSKY), to revise and extend their remarks, and to include extraneous matter:)

Mr. ROSE, for 60 minutes, today.

Mr. DIGGS, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. MOSS, for 5 minutes, today.

Mr. DRINAN, for 25 minutes, today.

Mr. TIERNAN, for 5 minutes, today.

Mr. ULLMAN, for 5 minutes, today.

Mr. DINGELL, for 5 minutes, today.

Mr. BURKE of Massachusetts, for 10 minutes, today.

Mr. VANIK, for 10 minutes, today.

Mr. MINISH, for 60 minutes, on February 5.

Mr. BRADEMAS, for 60 minutes, on February 6.

Mr. GAYDOS, for 30 minutes, on February 5.

Mr. DENT, for 15 minutes, on February 5.

(The following Members (at the request of Mr. BAUMAN) to revise and extend their remarks and include extraneous material:)

Mr. STEIGER of Arizona, for 10 minutes, today.

Mr. KEMP, for 5 minutes, today.

Mr. MILLER, for 5 minutes, today.

Mr. HOSMER, for 10 minutes, today.

Mr. HOGAN, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MAHON, to proceed for 10 minutes following the President's budget message.

Mr. CEDERBERG, to proceed for 10 minutes following Mr. MAHON on the President's budget message.

Mr. MAHON, to revise and extend his remarks and include extraneous matter and tables.

Mr. BENNETT in two instances.

Mr. FLOOD, to revise and extend his remarks, and to include a copy of the resolution he introduced.

The following Members (at the request of Mr. BAUMAN) and to include extraneous material:)

Mr. SNYDER.

Mr. WHALEN in two instances.

Mr. KEMP in two instances.

Mr. HEINZ in three instances.

Mr. HOGAN.

Mr. BAKER in two instances.

Mr. DON H. CLAUSEN.

Mr. POWELL of Ohio in two instances.

Mr. ASHBROOK in five instances.

Mr. MINSHALL of Ohio.

Mr. WYMAN in two instances.

Mr. ROBISON of New York.

Mr. HUBER in two instances.

Mr. HUDNUT in two instances.

Mr. CARTER in three instances.

Mrs. HOLT.

Mr. BAUMAN in two instances.

Mr. SEBELIUS.

Mr. WIDNALL.

Mr. DERWINSKI in two instances.

Mr. WIGGINS.

Mr. SARASIN.

Mr. GILMAN in two instances.

Mr. COCHRAN.

Mr. STEIGER of Arizona.

(The following Members (at the request of Mr. MEZVINSKY) and to include extraneous matter:)

Mr. ANNUNZIO in six instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. BOLLING.

Mr. MOSS.

Mr. WON PAT in five instances.

Mr. LONG of Maryland in 10 instances.

Ms. HOLTZMAN in 10 instances.

Mr. HELSTOSKI in 10 instances.

Mr. CORMAN.

Mrs. GRASSO in 10 instances.

Mr. EVINS of Tennessee.

Mr. RIEGLE.

Mr. CONYERS in 10 instances.

Mr. HUNGATE.

Mr. WALDIE in three instances.
Mr. ANDERSON of California in three instances.

Mr. MOAKLEY in five instances.
Mr. WOLFF in three instances.
Mr. VANIK in two instances.
Ms. ABZUG in 10 instances.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. CON. RES. 64. Concurrent resolution authorizing the printing of congressional eulogies and other tributes to the late J. Edgar Hoover as a Senate document; to the Committee on House Administration.

ADJOURNMENT

Mr. MEZVINSKY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 17 minutes p.m.) the House adjourned until tomorrow, Tuesday, February 5, 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:

1803. A letter from the President of the United States, transmitting amendments to the request for appropriations transmitted in the budget for fiscal year 1975, for accelerated energy research and development (H. Doc. No. 93-209); to the Committee on Appropriations and ordered to be printed.

1804. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of the Interior's Bureau of Land Management for "Management of lands and resources" for fiscal year 1974, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriations, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

1805. A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other Services.

1806. A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize military training student loads and for other Services.

1807. A letter from the Secretary of the Air Force, transmitting a report on the number of officers assigned or detailed to the Headquarters of the Department of the Air

Force as of December 31, 1973, pursuant to 10 U.S.C. 8031(c); to the Committee on Armed Services.

1808. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting a report of the facts and justification for the proposed closure of certain military installations in the United States, pursuant to section 613 of Public Law 89-568; to the Committee on Armed Services.

1809. A letter from the Acting Assistant Secretary of the Air Force (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to extend the time limit for the award of certain military decorations; to the Committee on Armed Services.

1810. A letter from the Chairman, District of Columbia Armory Board, transmitting the 26th annual report and financial statements of the Board's Operation of the District of Columbia National Guard Armory, and the 16th annual report and financial statements of the operation of the Robert F. Kennedy Memorial Stadium, covering fiscal year 1973, pursuant to section 10 of Public Law 80-605 and section 10 of Public Law 85-300, respectively; to the Committee on the District of Columbia.

1811. A letter from the vice president and general manager, Chesapeake & Potomac Telephone Co., transmitting a statement of receipts and expenditures of the company for 1973, and a comparative general balance sheet, pursuant to 33 Stat. 375 and 43 D.C. Code 313; to the Committee on the District of Columbia.

1812. A letter from the Secretary of Labor, transmitting a report on fair labor standards in employments in and affecting interstate commerce, pursuant to 29 U.S.C. 204(d); to the Committee on Education and Labor.

1813. A letter from the Secretary of Labor, transmitting a report on activities under the Age Discrimination in Employment Act of 1967, pursuant to section 13 of the act (29 U.S.C. 632); to the Committee on Education and Labor.

1814. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on assistance-related funds obligated for Cambodia during the second quarter of fiscal year 1974, pursuant to section 655(f) of the Foreign Assistance Act of 1961, as amended by Public Law 92-226; to the Committee on Foreign Affairs.

1815. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States pursuant to Public Law 92-403; to the Committee on Foreign Affairs.

1816. A letter from the Administrator of General Services, transmitting the 1973 annual report of the General Services Administration; to the Committee on Government Operations.

1817. A letter from the Federal and State Co-Chairman, Federal-State Land Use Planning Commission for Alaska, transmitting the Commission's annual report for calendar year 1973, pursuant to 85 Stat. 706; to the Committee on Interior and Insular Affairs.

1818. A letter from the Secretary of Transportation, transmitting a report on rail service in the Midwest and Northeast regions, pursuant to section 204 of Public Law 93-236; to the Committee on Interstate and Foreign Commerce.

1819. A letter from the director, National Development and Finance Services, Boys' Club of America, transmitting the financial statement of the organization for the year ended September 30, 1973, pursuant to section 14 of Public Law 84-988; to the Committee on the Judiciary.

1820. A letter from the National Adjutant, Veterans of World War I of the U.S.A., Inc., transmitting the proceedings of the organization's national convention, the annual

report, and financial statement for the year ended September 30, 1973, pursuant to section 15 of Public Law 85-530 (H. Doc. No. 93-210); to the Committee on the Judiciary and ordered to be printed with illustrations.

1821. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on scientific and professional positions in NASA during calendar year 1973, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

1822. A letter from the Chairman, U.S. Civil Service Commission, transmitting a report on positions in grades GS-16, 17, and 18 in the Federal Government during calendar year 1973, pursuant to 5 U.S.C. 5114; to the Committee on Post Office and Civil Service.

1823. A letter from the Director, Federal Bureau of Investigation, Department of Justice, transmitting a report on positions in the FBI during calendar year 1973 in grades GS-16, 17, and 18, pursuant to U.S.C. 5114; to the Committee on Post Office and Civil Service.

1825. A letter from the Secretary, Railroad Retirement Board, transmitting a report for calendar year 1973 on positions in grades GS-16, 17, and 18 pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

1825. A letter from the Secretary of Commerce and the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on the proposal for an economic adjustment program, pursuant to section 8 of Public Law 93-46; to the Committee on Public Works.

1826. A letter from the Federal Cochairman, Coastal Plains Regional Commission, transmitting the sixth annual report of the Commission, covering fiscal year 1973, pursuant to 42 U.S.C. 3189; to the Committee on Public Works.

1827. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and persons; to the Committee on Veterans' Affairs.

1828. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to impose a tax on windfall profits by producers of crude oil; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on January 31, 1974, the following report was filed on February 1, 1974]

Mr. RODINO. Committee on the Judiciary. House Resolution 803. Resolution providing appropriate power to the Committee on the Judiciary to conduct an investigation of whether sufficient grounds exist to impeach Richard M. Nixon, President of the United States, and for other purposes (Rept. No. 93-774). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Submitted February 4, 1974]

By Mr. ULLMAN (for himself and Mr. SCHNEEBELI):

H.R. 12481. A bill to amend the Internal Revenue Code of 1954 to provide pension reform; to the Committee on Ways and Means.

By Mr. ALEXANDER:

H.R. 12482. A bill to amend the Economic Stabilization Act of 1970 to stabilize the price of propane; to the Committee on the Banking and Currency.

By Mr. BIAGGI:

H.R. 12483. A bill to return Veterans Day to its traditional date, November 11 of each year; to the Committee on the Judiciary.

By Mr. BINGHAM:

H.R. 12484. A bill to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BOWEN:

H.R. 12485. A bill to amend the Federal Energy Administration Act of 1973 to provide for equitable allocation of costs among different petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. BREAUX:

H.R. 12486. A bill to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes; to the Committee on Education and Labor.

By Mr. BROWN of California (for himself, Mr. ABDNOR, Mr. ADAMS, Mr. BERGLAND, Mrs. BURKE of California, Mr. CONLAN, Mr. CORMAN, Mr. CRONIN, Mr. DANIELSON, Mr. DENT, Mr. DOWNING, Mr. FUQUA, Mr. GUNTER, Mr. KYROS, Mr. LEHMAN, Mr. MELCHER, Mr. MILFORD, Mr. MINSHALL of Ohio, Mr. MOSHER, Mr. PREYER, Mr. PRICE of Illinois, Mr. RYAN, Mr. JAMES V. STANTON, Mr. STEELE, and Mr. TERNAN):

H.R. 12487. A bill to amend the National Aeronautics and Space Act of 1958 to authorize and direct the National Aeronautics and Space Administration to conduct research and to develop ground propulsion systems which would serve to reduce the current level of energy consumption; to the Committee on Education and Labor.

By Mr. BROWN of California (for himself and Ms. ABZUG):

H.R. 12488. A bill to amend the National Aeronautics and Space Act of 1958 to authorize and direct the National Aeronautics and Space Administration to conduct research and to develop ground propulsion systems which would serve to reduce the current level of energy consumption; to the Committee on Science and Astronautics.

By Mr. BURKE of Massachusetts (for himself, Mr. CORMAN, Mr. GREEN of Pennsylvania, and Mr. VANIK):

H.R. 12489. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs; to the Committee on Ways and Means.

By Mr. BURTON (for himself and Mr. WALDIE):

H.R. 12490. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

By Mr. CLARK:

H.R. 12491. A bill to temporarily suspend required emissions controls on automobiles in certain parts of United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 12492. A bill to extend the Federal program of assistance for the developmentally disabled to include the physically disabled; to the Committee on Interstate and Foreign Commerce.

By Mr. DEVINE:

H.R. 12493. A bill to require the execution of an oath or affirmation or declaration of allegiance before a passport is granted or issued; to the Committee on Foreign Affairs.

By Mr. EDWARDS of Alabama:

H.R. 12494. A bill to temporarily suspend required emissions controls on automobiles registered in certain parts of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FLYNT:

H.R. 12495. A bill to direct the Comptroller General of the United States to conduct a study of the burden of reporting requirements of Federal regulatory programs on independent business establishments, and for other purposes; to the Committee on Government Operations.

By Mr. FRASER (for himself, Mr. ANDERSON of California, Mr. ASHLEY, Mr. BADELLO, Mr. BIESTER, Mrs. BOGGS, Mr. BOLAND, Mr. BRADEMAS, Mr. BROWN of California, Mrs. BURKE of California, Mr. CARNEY of Ohio, Ms. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CORMAN, Mr. CRONIN, Mr. CULVER, Mr. DENT, Mr. DORN, Mr. DRINAN, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. EILBERG, and Mr. FORD):

H.R. 12496. A bill to amend the Small Business Act to provide for loans to small business concerns affected by the energy shortage; to the Committee on Banking and Currency.

By Mr. FRASER (for himself, Mr. FORTSYTHE, Mr. FROELICH, Mr. GAYDOS, Mrs. GRASSO, Mr. GUDE, Mr. GUNTER, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Ms. HOLTZMAN, Mr. ICHORD, Mr. JOHNSON of Pennsylvania, Mr. KEMP, Mr. KYROS, Mr. LEGGETT, Mr. LEHMAN, Mr. LENT, Mr. MAZZOLI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MORGAN, Mr. MOSS, Mr. NEDZI, and Mr. NIX):

H.R. 12497. A bill to amend the Small Business Act to provide for loans to small business concerns affected by the energy shortage; to the Committee on Banking and Currency.

By Mr. FRASER (for himself, Mr. OWENS, Mr. PEPPER, Mr. PERKINS, Mr. PODELL, Mr. RARICK, Mr. REES, Mr. RIEGLE, Mr. RODINO, Mr. ROSENTHAL, Mr. ROY, Mr. ROYAL, Mr. SARASIN, Mr. SARBANES, Mr. STARK, Mr. STUDDS, Mr. THOMPSON of New Jersey, Mr. TOWELL of Nevada, Mr. WHITEHURST, Mr. WINN, Mr. WOLFF, Mr. WON PAT, and Mr. YOUNG of Georgia):

H.R. 12498. A bill to amend the Small Business Act to provide for loans to small business concerns affected by the energy shortage; to the Committee on Banking and Currency.

By Mr. FROELICH:

H.R. 12499. A bill to temporarily suspend required emissions controls on automobiles registered in certain parts of the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GOLDWATER (for himself, Mr. SIKES, and Mr. SPENCE):

H.R. 12500. A bill to amend the Hobby Protection Act to include reproductions of antique firearms; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.R. 12501. A bill to repeal the Emergency Daylight Saving Time Energy Conservation

Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mrs. GRASSO:

H.R. 12502. A bill to repeal the Emergency Daylight Saving Time Conservation Act of 1973; to amend the Uniform Time Act of 1966 to provide for the observance of daylight saving time from the last Sunday of February until the last Sunday of November of each year; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HASTINGS (for himself, Mr. ROGERS, Mr. SATTERFIELD, Mr. KYROS, Mr. PREYER, Mr. SYMINGTON, Mr. ROY, Mr. NELSEN, Mr. CARTER, Mr. HEINZ, and Mr. HUDNUT):

H.R. 12503. A bill to amend the Controlled Substances Act to provide for the registration of practitioners conducting narcotic treatment programs; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYS:

H.R. 12504. A bill to repeal the Emergency Daylight Saving Time Energy Conservation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. HEBERT (for himself and Mr. BRAY) (by request):

H.R. 12505. A bill to amend titles 10 and 14, United States Code, and certain other laws, to modernize the retirement structure relating to members of the uniformed services; to the Committee on Armed Services.

By Mr. HEINZ:

H.R. 12506. A bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation and educational assistance allowances paid to eligible veterans and other persons to otherwise improve the educational assistance programs; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HEINZ (for himself, Mr. STOKES, Mr. MOLLOHAN, Mr. BOLAND, Mr. GREEN of Pennsylvania, Mr. PREYER, Mr. ROUSH, Mr. PEPPER, Mr. BEVILL, Mr. COUGHLIN, Mr. MATSUNAGA, Mr. DE LUIGO, Mr. WHITEHURST, Mr. ROYBAL, Ms. CHISHOLM, Mr. BELL, Mr. MOAKLEY, Mr. STARK, Mr. COHEN, Ms. SCHROEDER, Mr. FASCELL, Mr. FRENZEL, Ms. HOLTZMAN, Mr. YATRON, and Mr. RIEGLE):

H.R. 12507. A bill to amend the Community Mental Health Centers Act to revise the various programs of assistance authorized by that act and to extend it to the fiscal year 1976; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI:

H.R. 12508. A bill to require the Attorney General to investigate all vertical concentrations within the petroleum industry and to take such action as is necessary to prevent illegal concentrations, and for other purposes; to the Committee on the Judiciary.

H.R. 12509. A bill to regulate commerce prohibiting certain combinations among persons engaged in commerce relating to energy; to the Committee on the Judiciary.

H.R. 12510. A bill to amend the Internal Revenue Code of 1954 to eliminate the percentage oil and gas depletion allowance; to the Committee on Ways and Means.

By Mr. HOGAN:

H.R. 12511. A bill to prohibit the exportation of any horse unless proof of ownership is shown by the consignee or ultimate consignor; to the Committee on Agriculture.

By Mr. HOSMER (for himself, Mr. SKUBITZ, Mr. RUPPE, Mr. REGULA, and Mr. CRONIN):

H.R. 12512. A bill to provide for the addition of certain lands in the State of Alaska to the National Park, National Wildlife Refuge, National Forest, and the Wild and

Scenic Rivers Systems, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado (for himself, Mr. ARMSTRONG, Mr. BROTZMAN, Mr. EVANS of Colorado, and Ms. SCHROEDER):

H.R. 12513. A bill to include the Escalante Trail in the study category of the National Trails System Act; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Pennsylvania:

H.R. 12514. A bill to amend the Export Administration Act of 1969, as amended, to control the export of iron and steel scrap during periods of shortage; to the Committee on Banking and Currency.

H.R. 12515. A bill to establish a National Energy Information System, to authorize the Department of the Interior to undertake an inventory of U.S. energy resources on public lands and elsewhere, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LANDGREBE (for himself, Mr. QUITE, Mr. ERLBORN, Mr. HANSEN of Idaho, and Mr. TOWELL of Nevada):

H.R. 12516. A bill to amend the Farm Labor Contractor Registration Act of 1963 by extending its coverage and effectuating its enforcement; to the Committee on Education and Labor.

By Mr. LANDGREBE (for himself, Mr. FISHER, Mr. COLLINS of Texas, Mr. STEIGER of Arizona, and Mr. SYMMS):

H.R. 12517. A bill to repeal the Consumer Product Safety Act of 1972; to the Committee on Interstate and Foreign Commerce.

By Mr. MAILLIARD (for himself, Mr. DINGELL, Mr. GROVER, Mr. GOODLING, Mr. RHODES, Mr. LEGGETT, Mr. McCLOSKEY, and Mr. DON H. CLAUSEN):

H.R. 12518. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MAZZOLI (for himself and Mr. PERKINS):

H.R. 12519. A bill to amend section 133 of title 28, United States Code, to increase by two the number of district judges for the eastern district of Kentucky; to the Committee on the Judiciary.

By Mr. MELCHER:

H.R. 12520. A bill to provide that following adoption of this act, Veterans Day be observed on the 11th of November of each year; to the Committee on the Judiciary.

H.R. 12521. A bill to amend the act which created the U.S. Olympic Committee to require such committee to hold public proceedings before it may alter its constitution, to require arbitration of certain amateur athletic disputes, and for other purposes; to the Committee on the Judiciary.

By Mr. MOAKLEY:

H.R. 12522. A bill to amend section 4 of the Emergency Petroleum Allocation Act of 1973 to direct the President to establish ceiling prices on petroleum and related goods; to the Committee on Interstate and Foreign Commerce.

By Mr. O'HARA (for himself, Mr. BIAGGI, Mr. BURTON, Mr. BRADENAS, Mr. GAYDOS, Mr. ANDREWS of North Carolina, Mr. LEHMAN, and Mr. BENITZ):

H.R. 12523. A bill to amend section 428 (a) of the Higher Education Act of 1965, as amended, and section 2(a) (7) of the Emergency Insured Student Loan Act of 1969, to better assure that students will have reasonable access to loans to meet their postsecondary education costs, and for other purposes; to the Committee on Education and Labor.

By Mr. O'HARA (for himself and Mr. HECHLER of West Virginia):

H.R. 12524. A bill to amend section 428(a) of the Higher Education Act of 1965, as amended, and section 2(a) (7) of the Emergency Insured Student Loan Act of 1969, to better assure that students will have reasonable access to loans to meet their postsecondary education costs, and for other purposes; to the Committee on Education and Labor.

By Mr. POAGE (for himself and Mr. WAMPLER):

H.R. 12525. A bill to extend the Sugar Act of 1948, as amended; to the Committee on Agriculture.

By Mr. POAGE:

H.R. 12526. A bill to amend sections 306 and 308 of the Rural Electrification Act of 1936, as amended; to the Committee on Agriculture.

By Mr. PRITCHARD:

H.R. 12527. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from income for so much of the gain from the sale or exchange of an individual's residence which reflects monetary inflation during the period of ownership; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 12528. A bill to permit the attorneys general of the several States to secure redress to the citizens and political subdivisions of their States for damages and injuries sustained by reason of unlawful restraints and monopolies; to the Committee on the Judiciary.

By Mr. ROGERS:

H.R. 12529. A bill to name structure S-5A of the southern Florida flood control district, located in Palm Beach County, Florida, as the "W. Turner Wallis Pumping Station" in memory of the late W. Turner Wallis, first secretary-treasurer and chief engineer for the central and southern Florida flood control district; to the Committee on Public Works.

By Mr. ROY:

H.R. 12530. A bill to amend the Economic Stabilization Act of 1970 to provide for equitable allocation of costs among petroleum products in the administration of any price control authority and to stabilize the price of liquefied petroleum gas; to the Committee on Banking and Currency.

By Mr. SARASIN:

H.R. 12531. A bill to amend the Emergency Petroleum Allocation Act of 1973 to authorize and require the President of the United States to allocate plastic feedstocks produced from petrochemical feedstocks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SARASIN (for himself, Mr. BAUMAN, Mr. BENNETT, Mr. BOLAND, Mr. BURGNER, Mr. CLEVELAND, Mr. CRONIN, Mr. DELLUMS, Mr. DERWINSKI, Mr. GAYDOS, Mr. HECHLER of West Virginia, Mr. HEINZ, Mr. HICKS, Mr. JOHNSON of Pennsylvania, Mr. MINISH, Mr. MITCHELL of New York, Mr. RANDALL, Mr. SNYDER, Mr. WHITEHURST, and Mr. WINN):

H.R. 12532. A bill to impose an embargo on the export of petrochemicals until price controls on petrochemicals are removed; to the Committee on Banking and Currency.

By Mr. SCHERLE (for himself, Mr. YOUNG of Illinois, and Mr. COHEN):

H.R. 12533. A bill to amend the Internal Revenue Code of 1954 to provide that the tax on the amounts paid for communication services shall not apply to the amount of the State and local taxes paid for such services; to the Committee on Ways and Means.

By Mr. SHOUP (for himself, Mr. NIX, Mr. BAFALIS, Mr. DAVIS of South Carolina, Mr. ABDNOR, Mr. PARRIS, Mr.

FROELICH, Mr. HASTINGS, Mr. WON PAT, Mr. HARRINGTON, Mr. MAZZOLI, Mr. WHITEHURST, Mr. PODELL, Mrs. COLLINS of Illinois, and Mr. CLEVELAND):

H.R. 12534. A bill to provide for the collection and assimilation of information on the energy resources of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. THONE:

H.R. 12535. A bill to authorize the Secretary of Housing and Urban Development to encourage and assist in the development on a demonstration basis of several carefully planned projects to meet the special health cared and related needs of elderly persons in a campus-type setting; to the Committee on Banking and Currency.

By Mr. TIERNAN:

H.R. 12536. A bill to protect the environment and conserve natural resources by stimulating the use of recycled or recyclable materials by effecting rate changes in the movement of these materials by common carrier, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 12537. A bill to protect the environment and conserve natural resources by stimulating the recovery, reuse, and recycling of waste materials and by decreasing the quantity of materials moved in commerce which must be disposed of ultimately as waste; to promote and regulate commerce by identifying and establishing standards and guidelines for the proper management of waste which poses a substantial hazard to human health or the environment, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 12538. A bill to impose an excess profits tax for a temporary period on the income of major corporations engaged in the production or distribution of oil or natural gas; to the Committee on Ways and Means.

By Mr. VANIK (for himself, Mr. DOMINICK V. DANIELS, Mr. DINGELL, Mr. GAYDOS, Ms. HOLTZMAN, Mr. MOAKLEY, Mr. VIGORITO, and Mr. YATRON):

H.R. 12539. A bill to amend the Internal Revenue Code of 1954 to eliminate, in the case of any oil or gas well located outside the United States, the percentage depletion allowance and the option to deduct intangible drilling and development costs, and to deny a foreign tax credit with respect to the income derived from any such well; to the Committee on Ways and Means.

By Mr. WALDIE:

H.R. 12540. A bill to extend certain land use permits along the lower Colorado River, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WHITTEN:

H.R. 12541. A bill to repeal the Emergency Daylight Saving Time Energy Conservation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES WILSON of Texas: H.R. 12542. A bill to repeal the Emergency Daylight Saving Time Energy Conservation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES H. WILSON of California:

H.R. 12543. A bill to amend title 10 of the United States Code to require the presentation of full military honors at the burial of veterans; to the Committee on Armed Services.

By Mr. YATRON (for himself, Mr. NICHOLS, Mr. BAUMAN, Mr. ICHORD, Mr. ZWACH, Mr. SCHERLE, Mr. PARRIS, Mr. MONTGOMERY, Mr. GOODLING, Mr. VANDER JAGT, Mr. TREEN, Mr. BEARD, Mr. STEELMAN, Mr. YOUNG of Georgia, Mr. HANSEN of Idaho, Mr. GINN, Mr.

ROSE, Mr. CULVER, Mr. MCCORMACK, Mr. WAGGONER, Mr. SEBELIUS, Mr. SIKES, and Mr. SARASIN):

H.R. 12544. A bill to direct the Comptroller General of the United States to conduct a study of the burden of reporting requirements of Federal regulatory programs on independent business establishments, and for other purposes, to the Committee on Government Operations.

By Mr. ZWACH (for himself, Mr. NELSEN, and Mr. QUIE):

H.R. 12545. A bill to establish fair hearing procedures upon determination of exemption, inspection requirements, and certain other enforcement actions of USDA; amending Federal Meat Inspection Act; to the Committee on Agriculture.

By Mr. BINGHAM (for himself, Mrs. CHISHOLM, Mr. ROSENTHAL, Mr. DE LUGO, Mr. FRENZEL, Mr. NIX, and Mr. WON PAT):

H.J. Res. 890. Joint resolution proposing an amendment to the Constitution of the United States relating to the eligibility of a citizen to hold the Office of President; to the Committee on the Judiciary.

By Mr. DANIELSON (for himself, Ms. ABZUG, Mr. BADILLO, Mr. BEVILL, Mr. BROWN of California, Mrs. BURKE of California, Mr. CARNEY of Ohio, Mrs. CHISHOLM, Mr. CLAY, Mr. DENT, Mr. EDWARDS of California, Mr. EILBERG, Mr. FROELICH, Mr. FULTON, Mr. GUNTER, Mr. HARRINGTON, Mr. HELSTOSKI, Ms. HOLTZMAN, Mr. ICHORD, Mr. JOHNSON of Pennsylvania, and Mr. KETCHUM):

H. Con. Res. 423. Concurrent resolution to express the sense of the Congress that the President should evaluate the commodity requirements of the domestic economy to determine which commodities should be designated as in short supply for purposes of taxation of domestic international sales corporations; to the Committee on Ways and Means.

By Mr. DANIELSON (for himself, Mr. LONG of Maryland, Mr. MCKAY, Mr. MANN, Mr. MAZZOLI, Mr. METCALFE, Mr. MILLER, Mr. MOAKLEY, Mr. RIEGLE, Mr. ROE, Mr. ROYBAL, Mr. SANDMAN, Mr. SARBANES, Mrs. SCHROEDER, Mr. SHOUP, Mr. SEIBERLING, Mr. STARK, Mr. TAYLOR of North Carolina, Mr. TIERNAN, Mr. WALDIE, Mr. CHARLES H. WILSON of California, and Mr. YATES):

H. Con. Res. 424. Concurrent resolution to express the sense of the Congress that the President should evaluate the commodity requirements of the domestic economy to determine which commodities should be designated as in short supply for purposes of taxation of domestic international sales corporations; to the Committee on Ways and Means.

By Mr. FLOOD:

H. Res. 804. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

By Mr. BREAUX:

H. Res. 805. Resolution expressing the sense of the House of Representatives concerning the expenditure of money appropriated by the Congress for the Bicentennial celebration; to the Committee on the Judiciary.

By Mr. FLYNT:

H. Res. 806. Resolution disapproving the recommendations of the President with respect to the rates of pay of Federal officials transmitted to the Congress in the budget for the fiscal year ending June 30, 1975; to

the Committee on Post Office and Civil Service.

By Mr. GROSS (for himself, Mr. BAUMAN, Mr. MONTGOMERY, and Mr. WYLIE):

H. Res. 807. Resolution disapproving the recommendations of the President with respect to the rates of pay of Federal officials transmitted to the Congress in the budget for the fiscal year ending June 30, 1975; to the Committee on Post Office and Civil Service.

By Mr. HILLIS:

H. Res. 808. Resolution disapproving the recommendations of the President with respect to the rates of pay of Federal officials transmitted to the Congress in the budget for the fiscal year ending June 30, 1975; to the Committee on Post Office and Civil Service.

By Mr. ICHORD (for himself, Mr. DENT, Mr. ASPIN, Mr. MOORHEAD of California, Mr. RANGEL, Mr. SANDMAN, Mr. MADDEN, Mr. ANDERSON of California, Mr. TIERNAN, Mr. LATTA, Mr. HANLEY, Mr. EVINS of Tennessee, Mr. SCHERLE, Mr. REES, Mr. ROBERT W. DANIEL, JR., Mr. KING, Mr. PEYSER, Mr. STYNGINGTON, Mr. DOWNING, Mr. HUNGATE, Mr. HUDNUT, Mr. BRASCO, Mr. GUNTER, Mr. NICHOLS, and Mrs. CHISHOLM):

H. Res. 809. Resolution declaring the sense of the House with respect to a prohibition of extension of credit by the Export-Import Bank of the United States; to the Committee on Banking and Currency.

By Mr. POAGE:

H. Res. 810. Resolution to provide funds for the expenses of the investigation and study authorized by House Resolution 72; to the Committee on House Administration.

By Mr. SCHERLE (for himself, Mr. ICHORD, Mr. SNYDER, Mr. STEIGER of Arizona, Mr. MCCOLLISTER, and Mr. ARMSTRONG):

H. Res. 811. Resolution disapproving the recommendations of the President with respect to the rates of pay of Federal officials transmitted to the Congress in the budget for the fiscal year ending June 30, 1975; to the Committee on Post Office and Civil Service.

By Mr. THONE:

H. Res. 812. Resolution disapproving the recommendations of the President with respect to the rates of pay of Federal officials transmitted to the Congress in the budget for the fiscal year ending June 30, 1975; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

343. By the SPEAKER: A memorial of the Legislature of the State of Montana, ratifying the proposed amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

344. Also, memorial of the Senate of the State of West Virginia, requesting the Congress to propose an amendment to the Constitution of the United States guaranteeing the right to life to the unborn, the ill, the aged, or the incapacitated; to the Committee on the Judiciary.

345. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to excess profits during the energy crisis; to the Committee on Ways and Means.