HOUSE OF REPRESENTATIVES—*Thursday, August 1, 1974*

The House met at 12 o'clock noon.

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

Blessed is everyone that feareth the Lord; that walketh in His ways.—Psalms 128: 1.

Eternal Father, merciful and mighty, by the might of Thy spirit lift us into the light of Thy presence where we may be still and know that Thou art God and from Thee receive forgiveness for our sins and find grace to help in time of need.

Bless the Members of this House this day. May they take care of their duties with cheerfulness and in all sincerity of heart. Help them to do what is right and good and to do it without prejudice or pretense or pride. Make them truthful in all things, strong in spirit, courageous in conviction, and faithful to the faith of our fathers.

Draw them and our Nation more and more to Thee that together they may walk in Thy ways, obey Thy laws, and seek the good of all Thy children.

We pray in the spirit of Him who went about doing good. 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.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, 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 without amendment bills of the House of the following titles:

H.R. 10309. An act to amend the act of June 13, 1933 (Public Law 73–40), concerning safety standards for boilers and pressure vessels, and for other purposes; and

H.R. 13264. An act to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities.

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

H.R. 8217. An act to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971.

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

S. 2354. An act to provide for the participation of the United States in the African Development Fund; and

S. 3056. An act to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers.

HEARINGS EXPECTED ON HATCH ACT

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

Mr. KOCH. Mr. Speaker, under the current Hatch Act, millions of Federal, State, and city employees are prohibited from engaging in many aspects of political activity, and are, in effect, made into second-class citizens.

The Committee on House Administration, under the subchairmanship of the distinguished gentleman from Pennsylvania (Mr. DENT), is going to be holding hearings shortly on legislation which would remove those restrictions and at the same time protect those employees from being solicited for funds by people running for office.

I think that it is high time that Federal employees and city and State employees are considered old enough and intelligent enough to participate fully in the process of elections. Up to 3,500,000 State and local employees are affected by the Hatch Act as are 2,750,000 Federal employees. The city of New York alone has more than 300,000 municipal employees. Public employees never were, and are not today, second-class citizens. But the Hatch Act, by limiting their political activities, has effectively put them into that category.

I am introducing a bill today with 25 cosponsors which if enacted would correct the injustice. The cosponsors are Representatives BELLA ABZUG, Democrat, New York; JOE ADDABBO, Democrat, New York; HERMAN BADILLO, Democrat, New York; GEORGE BROWN, Democrat, California; YVONNE BURKE, Democrat, California; PHILLIP BURTON, Democrat, California; HUGH CAREY, Democrat, New York; JOHN CONYERS, Democrat, Michigan; MENDEL DAVIS, Democrat, South Carolina; JOSHUA EILBERG, Democrat, Pennsylvania; ELLA GRASSO, Democrat, Connecticut; MICHAEL HARRINGTON, Democrat, Massachusetts; KEN HECHLER, Democrat, West Virginia; HENRY HELSTOSKI, Democrat, New Jersey; PARREN MITCHELL, Democrat, Maryland; JOE MOAKLEY, Democrat, Massachusetts; JOHN MURPHY, Democrat, New York; MORGAN MURPHY, Democrat, Illinois; BERTRAM PODELL, Democrat, New York; THOMAS REES, Democrat, California; DON RIEGLE, Democrat, Michigan; ED ROYBAL, Democrat, California; PAT SCHROEDER, Democrat, Colorado; FRANK THOMPSON, Democrat, New Jersey; and CHARLES H. WILSON, Democrat, California.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT ON THE BILL MAKING APPROPRIATIONS FOR DEPARTMENT OF DEFENSE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

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

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, and I do not want to object, is there any problem with respect to waiving points of order on this request?

Mr. MAHON. If the gentleman will yield, there could be a problem. The final version of the defense authorization bill from the House Committee on Armed Services went to the President yesterday.

As the gentleman knows, the conference report was agreed to by the House and the Senate, but it has not yet been signed into law by the President. However, on Tuesday next we expect to bring the appropriation bill before the House. In the event the authorization bill is not signed by that time we are prepared to ask for a rule, but we hope the President will sign it in time so that a rule will not be necessary. There is no problem otherwise in that the amounts recommended in the appropriation bill are within the authorization as agreed to by the House and Senate.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for his explanation. I would like to yield to my colleague, the gentleman from New Hampshire.

Mr. WYMAN. Mr. Speaker, we reserve all points of order on that request.

Mr. WYMAN reserved all points of order on the bill.

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

There was no objection.

ANTIBUSING PROVISIONS OF H.R. 69 THREATEN BLACK GAINS

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

Mr. MITCHELL of Maryland. Mr. Speaker, on yesterday the House passed the conference report on H.R. 69. The conference report contained strict antibusing provisions. During the debate on the conference report reference was made to the recent Supreme Court decision on the Detroit school system. I entreat you my colleagues to bear in mind the following words from the dissenting opinion:

There was more than ample support for the District Judge's findings of unconstitutional segregation by race resulting in major

part from action and inaction of public authorities—both local and State . . . Under this record a remedial order of a court of equity which left the Detroit school system overwhelmingly Black (for the foreseeable future) surrounded by suburban school systems overwhelmingly white cannot correct the constitutional violations herein found. Id., at 250. To conclude otherwise, the Court of Appeals announced, would call up haunting memories of the now long overruled and discredited "separate but equal doctrine" of Plessy v. Ferguson, 163 U.S. 537 . . . (1896), and would be opening a way to nullify Brown v. Board of Education which overruled Plessy . . . Id., at 249.

This Court now reverses the Court of Appeals. It does not question the District Court's findings that any feasible Detroit-only plan would leave many schools 75 to 90 percent Black and that the district would become progressively more Black as whites left the city. Neither does the Court suggest that including the suburbs in a desegregation plan would be impractical or infeasible because of educational considerations, because of the number of children requiring transportation, or because of the length of their rides. Indeed, the Court leaves unchallenged the District Court's conclusion that a plan including the suburbs would be physically easier and more practical and feasible than a Detroit-only plan. Whereas the most promising Detroit-only plan, for example, would have entailed the purchase of 900 buses, the metropolitan plan would involve the acquisition of no more than 350 new vehicles.

STATEMENT OF REPRESENTATIVE BARBER B. CONABLE, OF NEW YORK, CONCERNING IMPEACHMENT

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

Mr. CONABLE. Mr. Speaker, I am told that the New York Daily News and several TV network news shows have reported during the past 24 hours that I am "leaning towards impeachment." I am at a loss to know how that conclusion has been reached since I have not read the evidence as yet, do not consider newspaper and television reports to be evidence, and have every intention of basing my decision only on the evidence. In short, since I take seriously my constitutional responsibility in this matter, I have no intention to lean for or against impeachment until I can do so on a fully informed basis. I do not want my position on this very serious matter being misrepresented by anyone. I suspect many of my colleagues have experience and intensions in this matter similar to mine.

CONCERNING THE EXHILARATING TRIUMPH OF THE REPUBLICAN BASEBALL TEAM

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

Mr. CONTE. Mr. Speaker, the steady drip, drip, drip of Watergate has been dammed—not in the Judiciary Committee—but on the field of fray. On Tuesday night up in Baltimore, a team of stellar Republicans once again—for the 11th straight year—showed that the better men are found on this side of the aisle.

Yes, Mr. Speaker, I am very proud to report that before 11,000 ecstatic fans, my Republican baseball team trounced a rag-tag coalition of Democrats by the score of 7 to 3.

With fielders like THAD COCHRAN and PETE MCCLOSKEY, we demonstrated we can field anything the Democrats knock our way and throw it back harder.

With base runners like PETER PEYSER and JOHN DELLENBACK, we thought quicker and ran faster. And with nimble players like BILL FRENZEL and BARRY GOLDWATER, we showed we can avoid any "tags" the Democrats try to put on us.

My Republicans had the game's most valuable player, whose performance really "freyed" the Democrats.

The Dems' flabby muscles and tired bones looked pale against my Republican men of steel, who all had lots of vinegar where the joints bend.

And once again, as he has for 11 consecutive years, ace pitcher BOB MICHEL mowed down the Democrats using the "straight Republican pitch."

This was in stark contrast to the Democrats, who scored only when they used a renegade from our ranks, who was not above resorting to common theft—by stealing home.

I hope the American voters have taken note of the men who have achieved this glorious victory—so come November they will recognize which party has the big sluggers.

PERSONAL EXPLANATION

Mr. DEVINE. Mr. Speaker, yesterday during rollcall 422 the gentleman from Ohio (Mr. HAYS) and I were in a conference outside the House Chamber on the rule on the election reform legislation, and we inadvertently missed the rollcall.

Had I been present I would have voted "no." I cannot speak for the gentleman from Ohio (Mr. HAYS).

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. MCFALL. 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. 428]

Archer	Evins, Tenn.	McClory
Ashley	Fisher	McSpadden
Blatnik	Foley	Mathis, Ga.
Brasco	Fulton	Murphy, N.Y.
Burke, Calif.	Gibbons	O'Hara
Carey, N.Y.	Gray	Owens
Carter	Green, Oreg.	Patman
Chisholm	Griffiths	Perkins
Clark	Gunter	Podell
Clay	Hansen, Idaho	Powell, Ohio
Conyers	Hansen, Wash.	Quillen
Coughlin	Hébert	Reid
Culver	Hogan	Rooney, N.Y.
Danielson	Holifield	Schneebeli
Davis, Ga.	Hungate	Sikes
de la Garza	Jones, Ala.	Symington
Dellums	Jones, Okla.	Teague
Diggs	Jones, Tenn.	Thompson, N.J.
Drinan	Kuykendall	Waldie
Eilberg	Landgrebe	Wilson, Charles, Tex.
Esch	Landrum	

The SPEAKER. On this rollcall 372 Members have recorded their presence by electronic device, a quorum.

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

LULAC WOMAN OF THE YEAR

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

Mr. WHITE. Mr. Speaker, the recent national convention of the League of United Latin American Citizens honored Mrs. Jesus "Queta" Fierro as National Lulac Woman of the Year. It is my good fortune to have Mrs. Fierro as my secretary in my El Paso district office. It is my pleasure to submit for the RECORD a letter I have written to her on this momentous occasion:

DEAR QUETA: To me, your selection as Texas Lulac Woman of the Year, and subsequently National Lulac Woman of the Year, was a foregone conclusion; and moreover, it could have been any other year as well as 1974.

You know how deeply proud I am of you, Queta, and as far as I am concerned both titles are permanently yours.

I am extremely fortunate to have a person of your very pronounced accomplishment associated with me in my Congressional duties, and so is the rest of the 16th District of Texas.

Sincerely yours,

RICHARD C. WHITE,
Member of Congress.

1975 BUDGET REDUCTIONS OVER $4 BILLION

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

Mr. MAHON. Mr. Speaker, including the defense appropriation bill which was approved by the Appropriations Committee today, action on appropriation bills in the House for the current fiscal year represents a reduction in the President's budget of $4.3 billion in budget authority. Of course, Senate action will be required before we will know the final outcome of the measures involved.

The Appropriations Committee has acted on 11 bills for fiscal 1975. The following appropriation bills remain to be considered:

First. Foreign assistance, for which no authorization has yet been enacted.

Second. Military construction, for which authorization has not yet been provided.

Third. A supplemental bill, which will include consideration of funds for HEW which were not included in the regular Labor-HEW bill due to the lack of authorization.

There is little doubt that in appropriation bills the House and the Congress at this session will be below the amounts requested by the President for the current fiscal year.

CONFERENCE REPORT ON H.R. 14012, LEGISLATIVE BRANCH APPROPRIATIONS, 1975

Mr. CASEY of Texas. Mr. Speaker, I call up the conference report on the bill

(H.R. 14012) making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 22, 1974.)

Mr. CASEY of Texas (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

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

There was no objection.

Mr. CASEY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this conference report provides appropriations totaling $708,275,650. This is $46,969,982 more than the fiscal 1974 appropriation. It is $14,196,735 less than the budget estimate, and $10,163,861 less than the Senate bill. The conference total is an increase of $105,054,370 over the House bill. However, this amount includes $112,824,480 for Senate items which were not considered by the House—$106,100,380 under the Senate heading and $6,724,100 under the Architect of the Capitol. The Senate items are traditionally left for decision and insertion by that body.

The conferees discussed in considerable detail the Senate provision raising the maximum annual rate of compensation for Senate employees and staffs of the joint committees whose funds are disbursed by the Senate. We on the House side felt that this was kind of inflationary, but inasmuch as Senate salaries are a housekeeping matter relating solely to that body, we allowed that portion to stand. The increases for the staffs of the joint committees, however, were not agreed to as it would not be equitable to allow increases for those individuals whose salaries are disbursed by the Senate as such increases would not be applicable to the joint committees whose funds are disbursed by the House.

One item, Mr. Speaker, we did not agree upon was the Senate proposal for restoration of the West Central Front of the Capitol and the development of a master plan for the Capitol Grounds. This amendment has been brought back in true disagreement. The managers on the part of the House will offer a motion later on to further insist on their disagreement to the Senate amendment.

Mr. Speaker, I would point out to the Members of the House that when we brought the bill to them originally, it contained no provision and no funds for the extension of the West Front, as has been requested by the Commission on the Extension of the U.S. Capitol in previous years.

One reason we did not do this was because of the continued disagreement between the Senate and the House as to extension and restoration. Another reason was because the Bicentennial celebration is almost upon us. I think it would be ill-advised for us to have the West front of the Capitol torn up for either extension or restoration during this Bicentennial celebration. Since there has been so much disagreement and argument for such a long period of time, I think we can readily postpone any action on the West Front until after the Bicentennial celebration.

Another matter I want to call to the attention of the House is the provision regarding reporting of foreign travel expenses of Members of Congress and staff. As the Members will recall, there was a requirement for quite a number of years that the reports be made and that they be compiled and published in the CONGRESSIONAL RECORD. This requirement was dropped last year in connection with the Department of State authorization bill.

The Senate placed an amendment in this appropriation bill reinstating the reporting requirement and that they be published in the CONGRESSIONAL RECORD.

Through conference action, a compromise was reached which I think adequately assures the public of full and complete knowledge of these travel expenses. The conference agreement requires and specifies that the reports shall be made in detail and filed with the Clerk of the House and the Secretary of the Senate and that they will be made available for public inspection.

Mr. Speaker, these are the major items in this conference agreement, and the details are set forth in the conference report, which has been available to all Members for over a week.

Mr. Speaker, I ask unanimous consent to insert a tabulation at this point in the RECORD summarizing the amounts agreed to in conference.

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

There was no objection.

The tabulation follows:

LEGISLATIVE BRANCH APPROPRIATION BILL, 1975 (H.R. 14012)

CONFERENCE SUMMARY

Agency and item	New budget (obligational) authority, fiscal year 1974 [1]	Budget estimates of new (obligational) authority, fiscal year 1975 [2]	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with— New budget (obligational) authority, fiscal year 1974	Conference action compared with— Budget estimates of new (obligational) authority, fiscal year 1975	Conference action compared with— New budget (obligational) authority recommended in House bill	Conference action compared with— New budget (obligational) authority recommended in Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Senate	$96,578,593	$106,342,695		$106,100,380	$106,100,380	+$9,521,787	−$242,315	+$106,100,380	
House of Representatives	162,511,395	174,549,140	$173,799,140	173,483,840	173,483,840	+10,972,445	−1,065,300	−315,300	
Joint items	36,315,230	44,749,650	44,889,840	45,039,106	45,077,830	+8,762,600	+328,180	+187,990	+$38,724
Office of Technology Assessment	2,000,000	5,000,000	3,500,000	4,000,000	4,000,000	+2,000,000	−1,000,000	+500,000	
Architect of the Capitol	52,374,300	29,959,200	23,938,900	51,897,000	30,997,000	−21,377,300	+1,037,800	+7,058,100	−20,900,000
Botanic Garden	884,700	916,600	916,600	916,600	916,600	+31,900			
Library of Congress	86,820,450	99,391,100	96,478,800	96,998,585	96,696,000	+9,875,550	−2,695,100	+217,200	−302,585
Government Printing Office	112,871,000	136,214,000	136,214,000	117,000,000	128,000,000	+15,129,000	−8,214,000	−8,214,000	+11,000,000
General Accounting Office	109,450,000	123,700,000	121,834,000	121,376,000	121,376,000	+11,926,000	−2,324,000	−458,000	
Cost-Accounting Standards Board	1,500,000	1,650,000	1,650,000	1,628,000	1,628,000	+128,000	−22,000	−22,000	
Grand total, new budget (obligational) authority	661,305,668	722,472,385	603,221,280	718,439,511	708,275,650	+46,969,982	−14,196,735	+105,054,370	−10,163,861
Consisting of—									
Appropriations	660,505,668	722,472,385	602,084,580	717,052,811	706,888,950	+46,383,282	−15,583,435	+104,804,370	−10,163,861
Reappropriations	800,000		1,136,700	1,386,700	1,386,700	+586,700	+1,386,700	+250,000	
Appropriations to liquidate contract authorizations		(175,000)	(145,000)	(145,000)	(145,000)	(+145,000)	(−30,000)		
Memorandum: Appropriations and reappropriations including appropriations for liquidation of contract authorizations	661,305,668	722,647,385	603,366,280	718,584,511	708,420,650	+47,114,982	−14,226,735	+105,054,370	−10,163,861

[1] Includes amounts in 2d Supplemental Appropriations Act, 1974 (Public Law 93-305).

[2] Includes amendments totaling $10,319,910 in S. Docs. Nos. 93-66, 93-80, and 93-91.

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

Mr. Speaker, I would concur with what the gentleman from Texas has had to say about this bill.

I would like to make one or two points in connection with our differences with the other body.

In conference, there were considerable differences about the question of the pay of Senate employees, but we ran into the same old argument that it is not up to us to make determinations as to how much the Senators want to pay their administrative assistants. Therefore, since

they took great umbrage at our concern over this, it was necessary for us to back off or we would have been in a retaliatory situation to say nothing of contrary precedent.

As far as what the chairman of the subcommittee has said about the west front of the Capitol, I would also concur because what the other body has done here is to attempt to bypass this body and run around the end by putting in some $20 million to restore the west front, even though we had not put in even after a favorable vote in the last session, any sum for the purpose of extension. This was for the reason, as the gentleman from Texas (Mr. CASEY) has indicated, that it would not be appropriate to get into this for the next 2 years because, whether restoration or extension is undertaken at a time when the Bicentennial celebration will be underway and millions of people would be here, it would be undesirable to have the Capitol under construction during the year after next.

There is very little that is controversial in this conference report, and I urge its adoption.

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

Mr. CASEY of Texas. Mr. Speaker, I yield 6 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, this bill presents one major issue before us today and it is one that I think almost every Member of this body is familiar with, with the exception of those Members who came in on the special elections this year. That issue is the long-time question of the extension of the west front of the Capitol. That is the front that looks down toward Pennsylvania Avenue.

This is a proposal that has been kicking around in Congress now for 8 years. And this bill, as it came out of the Senate, gives us an opportunity, finally and completely, to put this issue to rest.

We have had a lot of controversy on the floor; we have had a lot of discussions. The House has sometimes supported the costly extension of the west front; at other times it has voted against it. But consistently over the 8 years the other body has refused to approve any extension of the west front of the Capitol and has insisted that the simplest thing to do would be for us to proceed with the repair and restoration and get that out of the way.

Mr. Speaker, that is precisely what amendment No. 51 proposes to do. It puts in $20.6 million to take care of the repair and restoration of the west front and $300,000 for a space study.

I think that it is desirable that we, particularly in view of the overwhelming sentiment of the other body and the narrow votes in the House, get this issue behind us today and make the decision finally to repair and restore the west front of the Capitol, and then let us move on to other matters.

The question of the West Front of the Capitol has frequently been tied up with the matter of space. We in the House need more space in the Capitol, it has been alleged, and that is why we need to spend $70 million or $80 million at today's prices, for the extension of the West Front, in contrast to the $20 million needed for restoration and repair. However, it is obvious that in the past 2 or 3 years as we have been debating this matter of the space needs of the House of Representatives, our space needs have now, just like everything else, escalated out of control, and it becomes really ridiculous to assume that we can get anything like the space that we now need within the Capitol Building itself even if we extend it all the way down to the Washington Monument.

Mr. Speaker, the Senate last year very wisely, in my judgment, had a study made and determined that if the House really needed extra space, we could get twice the space available in a West Front extension at one-seventh of the cost per square foot by simply going underground over here on our side, and without disrupting the West Front at all, the historic remaining portion of the original Capitol, the Olmsted Terraces, and all the rest.

But today I think it is obvious to all of us that with our increased budget for these new committees, the budget committee and all of these other new committees that we are going to be creating to supervise the other new committees, we are going to need even more space than that. And so now we are even talking about moving into the new Madison Library or perhaps even building another House Office Building, which would be named the John McCormack House Office Building.

So I think it is obvious that it does not make sense any more to argue that we must extend the West Front because of our space needs. And therefore the $300,000 in this bill which the Senate has added would give us a thorough study of our space needs and the best and most economical way to meet them.

So, Mr. Speaker, I believe that the sensible procedure and the economical procedure, as well as the wise procedure, would be to start now to get this West Front repaired and restored. We ought to take down those supports out there on the West Front. They are not needed anyway. Those are simply propaganda devices that Mr. George Stewart put up there in an effort to try to get votes for his $70 million or $80 million extension project. He said the Capitol was going to collapse, but then we had a bomb explosion over on the Senate side a couple of years ago and it did not budge the Capitol 1 inch. We ought to get those phoney supports down.

We also ought to get some of the more gross gaps in the cornices replaced; we ought to get the thing painted at least, and then when the Bicentennial is over, if the whole project cannot be completed in a year, at least it will have been started. One of the experts has testified that it can be completed in a year; that was the fellow responsible for Williamsburg, Mr. Eisenberg, president of Universal Restorations, Inc. I think the job can be done in a single year. So let us get going on this job now, not wait another 3 years until 1977.

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

Mr. STRATTON. Mr. Speaker, will the gentleman from Texas yield me 1 additional minute?

Mr. CASEY of Texas. I yield 1 additional minute to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I thank the gentleman for yielding me the additional time.

Mr. Speaker, the issue is going to be presented here on the floor when we conclude the conference report. I would just like to explain to the House how this is going to be handled from a parliamentary point of view.

The committee is reporting out this amendment, No. 51, in disagreement. After the conference report is adopted—and I am not objecting to that—then the gentleman from Texas (Mr. CASEY) will move that the House insist on its disagreement to amendment No. 51.

At that point the gentleman from California (Mr. ROYBAL) will move to recede and concur in the Senate amendment. So, if the Members believe that we ought to have a clean, smooth-looking Capitol for the Bicentennial, and that we ought not to assume the extravagance of spending $70 or $80 million for an unnecessary extension of the west front, they can simply vote in support of the Roybal amendment to recede and concur.

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

Mr. GUDE. Mr. Speaker, I rise in strong support of the Roybal amendment. It was with great pleasure that I noted the decision of the Senate to include $20.9 million for this long overdue project, and I hope that my colleagues in the House will look with favor on the measure.

As my colleagues well know, we have been debating the relative merits of restoration of the West Front versus its possible extension for as long as I can remember. The arguments pro and con have been so frequently put forth in this body that I feel safe in saying that I am not alone in my frustration over the question.

How many times has it been pointed out that the West Front of this great and vital building is nearing collapse and yet it continues to stand as firm as our ship of state? How many times has it been pointed out that this is the last remaining original outside wall of the Capitol still exposed? How many times must the point be made that our sense of history is outraged by the call to cover forever the West Front with another extension of this building?

Those who have opposed this extension as consistently as I have supported it always cite the need for additional office space here at the Capitol. But that such needed office space does not have to be tacked onto the historic and beautiful West Front—a utilitarian appendage to a building which serves far more than a strictly utilitarian purpose. Never have I

heard an answer to the question, "Why must this new office space be a part of the Capitol building itself?"

I would respectfully suggest the alternatives do indeed exist. In fact, included in the conference report before us is specific funding of $300,000 to be used to determine responsibly what our space needs are, and how they can be best served.

If we are truly concerned over the work which needs to be done here to this building—the very symbol of our democracy—we must act now to save, through restoration, the West Front. If we take this action, we shall then be free to take a close look at our space needs. Also, we might then be free to turn our attention to what I consider to be yet another problem—the present, deplorable conditions we find on the East Capitol Plaza. As many of my colleagues know, I have long been interested in ways in which the East Capitol Plaza—which is, in many respects the public side of the Capitol—can be best made to both serve the public and legislators, and to enhance the magnificence of this Capitol building.

The never ending procession of automotive traffic, garbage trucks, delivery vans, motorcycles, and other vehicles does little to enhance this building. Noise, congestion, the daily battle to cross lane after lane of traffic are not, I would submit, precisely what could be described as ideal conditions. Proposals have been offered in the past which would if implemented, turn the East Plaza into a beautiful place indeed. Traffic access to the Capitol would be underground. On top, a wide open park-like area with fountains in a handsome terrace would take its place. It has even been suggested that a restaurant could be incorporated into such a plan.

It is certainly my hope that someday, this kind of improvement could be undertaken.

So let us not continue this seemingly never-ending debate. The West Front can be restored. It can be done at a cost far less than the alternative of an extension. If we act now, we may be able to insure that the restoration work is completed in time for our Bicentennial celebration.

I again strongly urge that the House concur with the Senate in this worthy task.

Mr. CASEY of Texas. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. VAN DEERLIN). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DELLENBACK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 380, nays 13, not voting 41, as follows:

[Roll No. 429]

YEAS—380

Abdnor	Downing	McCormack
Abzug	Drinan	McDade
Adams	Dulski	McEwen
Addabbo	Duncan	McFall
Alexander	du Pont	McKay
Anderson, Calif.	Eckhardt	McKinney
	Edwards, Ala.	Macdonald
Anderson, Ill.	Erlenborn	Madden
Andrews, N.C.	Esch	Madigan
Andrews, N. Dak.	Eshleman	Mahon
	Evans, Colo.	Mallary
Annunzio	Fascell	Mann
Arends	Findley	Maraziti
Armstrong	Fish	Martin, Nebr.
Ashbrook	Flowers	Martin, N.C.
Ashley	Flynt	Mathias, Calif.
Aspin	Foley	Mathis, Ga.
Badillo	Ford	Matsunaga
Bafalis	Forsythe	Mayne
Baker	Fountain	Mazzoli
Barrett	Fraser	Meeds
Bell	Frelinghuysen	Melcher
Bennett	Frey	Metcalfe
Bergland	Fuqua	Mezvinsky
Bevill	Gaydos	Michel
Biaggi	Gettys	Milford
Biester	Giaimo	Mills
Bingham	Gibbons	Minish
Blackburn	Gilman	Mink
Boggs	Ginn	Minshall, Ohio
Boland	Goldwater	Mitchell, Md.
Bolling	Gonzalez	Mitchell, N.Y.
Bowen	Goodling	Mizell
Brademas	Grasso	Moakley
Bray	Gray	Mollohan
Breaux	Green, Pa.	Montgomery
Breckinridge	Grover	Moorhead, Calif.
Brinkley	Gubser	
Brooks	Gude	Moorhead, Pa.
Broomfield	Guyer	Morgan
Brotzman	Haley	Mosher
Brown, Calif.	Hamilton	Moss
Brown, Mich.	Hammer-schmidt	Murphy, Ill.
Brown, Ohio		Murphy, N.Y.
Broyhill, N.C.	Hanley	Murtha
Broyhill, Va.	Hanna	Myers
Buchanan	Hanrahan	Natcher
Burgener	Harrington	Nedzi
Burke, Calif.	Harsha	Nelsen
Burke, Fla.	Hastings	Nichols
Burke, Mass.	Hawkins	Nix
Burleson, Tex.	Hays	Obey
Burlison, Mo.	Hébert	O'Brien
Burton, John	Hechler, W. Va.	O'Hara
Burton, Phillip	Heckler, Mass.	O'Neill
Butler	Heinz	Parris
Byron	Helstoski	Passman
Camp	Henderson	Patten
Carney, Ohio	Hicks	Pepper
Casey, Tex.	Hillis	Perkins
Cederberg	Hinshaw	Pettis
Chamberlain	Hogan	Peyser
Chappell	Holt	Pickle
Clancy	Holtzman	Pike
Clark	Horton	Poage
Clausen, Don H.	Hosmer	Powell, Ohio
	Howard	Preyer
Clawson, Del	Huber	Price, Ill.
Cleveland	Hudnut	Price, Tex.
Cochran	Hungate	Pritchard
Cohen	Hunt	Quie
Collier	Hutchinson	Railsback
Collins, Ill.	Ichord	Randall
Conable	Jarman	Rangel
Conlan	Johnson, Calif.	Rarick
Conte	Johnson, Colo.	Rees
Conyers	Johnson, Pa.	Reuss
Corman	Jones, Okla.	Rhodes
Cotter	Jordan	Rinaldo
Coughlin	Karth	Roberts
Crane	Kastenmeier	Robinson, Va.
Cronin	Kazen	Robison, N.Y.
Daniel, Dan	Kemp	Rodino
Daniel, Robert W., Jr.	Ketchum	Roe
	King	Rogers
Daniels, Dominick V.	Kluczynski	Roncalio, Wyo.
	Koch	Roncallo, N.Y.
Danielson	Kyros	Rooney, Pa.
Davis, S.C.	Lagomarsino	Rose
Davis, Wis.	Latta	Rosenthal
Delaney	Leggett	Rostenkowski
Dellums	Lehman	Roush
Denholm	Litton	Rousselot
Dennis	Long, La.	Roy
Dent	Long, Md.	Roybal
Derwinski	Lott	Runnels
Devine	Lujan	Ruppe
Dickinson	Luken	Ruth
Dingell	McClory	Ryan
Donohue	McCloskey	St Germain
Dorn	McCollister	Sandman
Sarasin	Stubblefield	White
Sarbanes	Stuckey	Whitehurst
Satterfield	Studds	Whitten
Scherle	Sullivan	Widnall
Schroeder	Talcott	Wiggins
Sebelius	Taylor, Mo.	Williams
Seiberling	Taylor, N.C.	Wilson, Charles H., Calif.
Shipley	Teague	
Shoup	Thompson, N.J.	
Shriver	Thomson, Wis.	Wilson, Charles, Tex.
Shuster	Thone	
Sikes	Thornton	Winn
Sisk	Tiernan	Wolff
Skubitz	Towell, Nev.	Wright
Slack	Traxler	Wyatt
Smith, Iowa	Treen	Wydler
Smith, N.Y.	Udall	Wylie
Snyder	Ullman	Wyman
Spence	Van Deerlin	Yates
Staggers	Vander Jagt	Yatron
Stanton, J. William	Vander Veen	Young, Alaska
	Vanik	Young, Fla.
Stanton, James V.	Veysey	Young, Ga.
	Vigorito	Young, Ill.
Stark	Waggonner	Young, S.C.
Steed	Waldie	Young, Tex.
Steele	Walsh	Zablocki
Steelman	Wampler	Zion
Stephens	Ware	Zwach
Stratton	Whalen	

NAYS—13

Archer	Frenzel	Steiger, Ariz.
Bauman	Gross	Steiger, Wis.
Beard	Landgrebe	Symms
Collins, Tex.	Miller	
Dellenback	Regula	

NOT VOTING—41

Blatnik	Flood	Lent
Brasco	Froehlich	McSpadden
Carey, N.Y.	Fulton	Owens
Carter	Green, Oreg.	Patman
Chisholm	Griffiths	Podell
Clay	Gunter	Quillen
Culver	Hansen, Idaho	Reid
Davis, Ga.	Hansen, Wash.	Riegle
de la Garza	Holifield	Rooney, N.Y.
Diggs	Jones, Ala.	Schneebeli
Edwards, Calif.	Jones, N.C.	Stokes
Eilberg	Jones, Tenn.	Symington
Evins, Tenn.	Kuykendall	Wilson, Bob
Fisher	Landrum	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Culver.
Mr. Davis of Georgia with Mr. Carey of New York.
Mr. de la Garza with Mr. Fisher.
Mr. Eilberg with Mrs. Green of Oregon.
Mr. Evins of Tennessee with Mrs. Griffiths.
Mr. Flood with Mrs. Hansen of Washington.
Mr. Fulton with Mr. Holifield.
Mr. Podell with Mr. Kuykendall.
Mr. Jones of Tennessee with Mr. Carter.
Mr. Stokes with Mr. Brasco.
Mrs. Chisholm with Mr. Blatnik.
Mr. Diggs with Mr. Edwards of California.
Mr. Gunter with Mr. Froehlich.
Mr. Riegle with Mr. Clay.
Mr. Jones of Alabama with Mr. Schneebeli.
Mr. Symington with Mr. Lent.
Mr. Jones of North Carolina with Mr. Quillen.
Mr. Owens with Mr. Bob Wilson.
Mr. McSpadden with Mr. Reid.
Mr. Landrum with Mr. Patman.

The result of the vote was announced as above recorded.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the amendments in disagreement.

The Clerk read as follows:

Senate amendments No. 1 through 30 inclusive: (1) SENATE

(2) COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS AND EXPENSE ALLOWANCES OF THE VICE PRESIDENT AND LEADERS OF THE SENATE

(3) COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS

For compensation and mileage of the Vice President and Senators of the United States, $4,790,695.

(4) EXPENSE ALLOWANCES OF THE VICE PRESIDENT AND MAJORITY AND MINORITY LEADERS

For expense allowance of the Vice President, $10,000; Majority Leader of the Senate, $3,000; and Minority Leader of the Senate, $3,000; in all, $16,000.

(5) SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions and longevity compensation as authorized, which shall be paid from this appropriation without regard to the below limitations, as follows:

(6) OFFICE OF THE VICE PRESIDENT

For clerical assistance to the Vice President, $552,045.

(7) OFFICES OF THE MAJORITY AND MINORITY LEADERS

For offices of the Majority and Minority Leaders, $215,460.

(8) OFFICES OF THE MAJORITY AND MINORITY WHIPS

For offices of the Majority and Minority Whips, $110,580.

(9) OFFICE OF THE CHAPLAIN

For office of the Chaplain, $28,500: *Provided*, That effective July 1, 1974, the Chaplain may fix the per annum compensation of the secretary to the Chaplain at not to exceed $12,540 per annum in lieu of $9,120 per annum.

(10) OFFICE OF THE SECRETARY

For office of the Secretary, $2,691,345, including $110,010 required for the purpose specified and authorized by section 74b of title 2, United States Code.

(11) COMMITTEE EMPLOYEES

For professional and clerical assistance to standing committees and the Select Committee on Small Business, $8,069,490.

(12) CONFERENCE COMMITTEES

For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $174,135.

For clerical assistance to the Conference of the Minority, at rates of compensation to be fixed by the chairman of said committee, $174,135.

(13) ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For administrative and clerical assistants to Senators, $42,477,540: *Provided*, That effective January 1, 1974, the clerk hire allowance of each Senator from the States of Arkansas and Arizona shall be increased to that allowed Senators from States having a population of two million, the population of each said State having exceeded two million inhabitants.

(14) OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

For office of the Sergeant at Arms and Doorkeeper, $11,998,500: *Provided*, That effective July 1, 1974, the Sergeant at Arms may appoint and fix the compensation of the following positions (a) in the computer center: four senior computer specialists at not to exceed $24,225 per annum each; seven senior programmer analysts at not to exceed $22,515 per annum each in lieu of five senior programmer analysts at $22,515 per annum each; three systems analysts at not to exceed $20,805 per annum each; five systems programmers at not to exceed $20,805 per annum each in lieu of three systems programmers at $20,805 per annum each; eight programmer analysts at not to exceed $20,805 per annum each; four computer specialists at not to exceed $18,240 per annum each; a secretary-receptionist at not to exceed $11,115 per annum; a secretary at $10,260 per annum; a systems supervisor at not to exceed $26,790 per annum in lieu of a systems supervisor at $25,080 per annum; (b) in the service department: an equipment supervisor at not to exceed $18,240 per annum; an assistant equipment supervisor at not to exceed $14,820 per annum; a secretary-receptionist at not to exceed $11,115 per annum; a secretary at not to exceed $9,975 per annum; six cameramen at not to exceed $10,260 per annum each; a film processor at not to exceed $11,115 per annum; an assistant film processor at not to exceed $10,545 per annum; ten messengers at not to exceed $8,265 per annum each in lieu of seven messengers at $8,265 per annum each; (c) in the Senate post office: a mail supervisor at not to exceed $11,115 per annum; sixty-three mail carriers at not to exceed $9,975 per annum each in lieu of fifty-seven mail carriers at $9,975 per annum each; (d) in the cabinet shop: a chief cabinetmaker at not to exceed $18,525 per annum in lieu of $15,960 per annum; an assistant chief cabinetmaker at not to exceed $17,670 per annum in lieu of $13,680 per annum; two cabinetmakers at not to exceed $13,395 per annum each in lieu of $12,255 per annum each; a cabinetmaker at not to exceed $12,255 per annum; a finisher at not to exceed $13,395 per annum in lieu of $12,255 per annum; an upholsterer at not to exceed $13,395 per annum in lieu of $12,255 per annum; and (e) twelve lieutenants, police force at not to exceed $17,100 per annum each in lieu of ten lieutenants at $17,100 per annum each; forty-six sergeants, police force at not to exceed $14,250 per annum each in lieu of forty sergeants at $14,250 per annum each; 389 privates, police force at not to exceed $10,830 per annum each in lieu of 342 privates at $10,830 per annum each.

(15) OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For offices of the Secretary for the Majority and the Secretary for the Minority, $265,050.

(16) AGENCY CONTRIBUTIONS AND LONGEVITY COMPENSATION

For agency contributions for employee benefits and longevity compensation, as authorized by law, $4,000,000.

(17) OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the office of the Legislative Counsel of the Senate, $521,740.

(18) SENATE PROCEDURE

For compiling, preparing, and editing "Senate Procedure", 1974 edition, $5,000, to be paid to Floyd M. Riddick, Parliamentarian of the Senate.

(19) CONTINGENT EXPENSES OF THE SENATE

(20) SENATE POLICY COMMITTEES

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $342,780 for each such committee; in all, $685,560.

(21) AUTOMOBILES AND MAINTENANCE

For purchase, lease, exchange, maintenance, and operation of vehicles one for the Vice President, one for the President pro tempore, one for the Majority Leader, one for the Minority Leader, one for the Majority Whip, one for the Minority Whip, for carrying the mails, and for official use of the offices of the Secretary and Sergeant at Arms, $40,000.

(22) INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, including $538,205 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, $16,253,175.

(23) FOLDING DOCUMENTS

For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $3.68 per hour per person, $82,045.

(24) MISCELLANEOUS ITEMS

For miscellaneous items, $12,921,450.

(25) POSTAGE STAMPS

For postage stamps for the offices of the Secretaries for the Majority and Minority, $320; Chaplain, $100; and for air mail and special delivery stamps for the office of the Secretary, $610; office of the Sergeant at Arms, $240; and the President of the Senate, as authorized by law, $1,215; in all, $2,485.

(26) STATIONERY (REVOLVING FUND)

For stationery for the President of the Senate, $3,600, and for committees and officers of the Senate, $21,850; in all, $25,450.

(27) ADMINISTRATIVE PROVISIONS

(28) 1. The paragraph under the heading "Administrative Provision" in chapter IV of the Supplemental Appropriations Act, 1972 (2 U.S.C. 64b) is amended by adding at the end thereof the following: "In the event that the Secretary of the Senate is absent or is to be absent for reasons other than disability (as provided in this paragraph), and makes a written designation that he is or will be so absent, the Assistant Secretary shall act during such absence as the Secretary in carrying out the duties and responsibilities of the office in all matters, except those matters relating to the Secretary's duties as such disbursing officer. The designation may be revoked in writing at any time by the Secretary, and is revoked whenever the Secretary making the designation dies, resigns, or is considered disabled in accordance with this paragraph."

(29) 2. (a) Whenever—

(1) the law of any State provides for the collection of an income tax by imposing upon employers generally the duty of withholding sums from the compensation of employees and remitting such sums to the authorities of such State; and

(2) such duty to withhold is imposed generally with respect to the compensation of employees who are residents of such State; then the Secretary of the Senate is authorized, in accordance with the provisions of this section, to enter into an agreement with the appropriate official of that State to provide for the withholding and remittance of sums for individuals—

(A) whose pay is disbursed by the Secretary; and

(B) who request the Secretary to make such withholdings for remittance to that State.

(b) Any agreement entered into under subsection (a) of this section shall not require the Secretary to remit such sums more often than once each calendar quarter.

(c)(1) An individual whose pay is disbursed by the Secretary may request the Secretary to withhold sums from his pay for remittance to the appropriate authorities of the State that he designates. Amounts of withholdings shall be made in accordance with those provisions of the law of that State which apply generally to withholding by employers.

(2) An individual may have in effect at any time only one request for withholdings,

and he may not have more than two such requests in effect with respect to different States during any one calendar year. The request for withholdings is effective on the first day of the first month commencing after the day on which the request is received in the Disbursing Office of the Senate, except that—

(A) when the Secretary first enters into an agreement with a State, a request for withholdings shall be effective on such date as the Secretary may determine; and

(B) when an individual first receives an appointment, the request shall be effective on the day of appointment, if the individual makes the request at the time of appointment.

(3) An individual may change the State designated by him for the purposes of having withholdings made and request that the withholdings be remitted in accordance with such change, and he may also revoke his request for withholdings. Any change in the State designated or revocation is effective on the first day of the first month commencing after the day on which the request for change or the revocation is received in the Disbursing Office.

(4) The Secretary is authorized to issue rules and regulations he considers appropriate in carrying out this subsection.

(d) The Secretary may enter into agreements under subsection (a) of this section at such time or times as he considers appropriate.

(e) This section imposes no duty, burden, or requirement upon the United States, the Senate, or any officer or employee of the United States, except as specifically provided in this section. Nothing in this section shall be deemed to consent to the application of any provision of law which has the effect of subjecting the United States, the Senate, or any officer or employee of the United States to any penalty or liability by reason of the provisions of this section. Any paper, form, or document filed with the Secretary under this section is a paper of the Senate within the provisions of rule XXX of the Standing Rules of the Senate.

(f) For purposes of this section, "State" means any of the States of the United States and the District of Columbia.

(30) 3. (a) The Sergeant at Arms of the Senate shall secure for each Senator office space suitable for the Senator's official use in places designated by the Senator in the State he represents. That space shall be secured in post offices or other Federal buildings at such places. In the event suitable office space is not available in post offices or other Federal buildings, the Sergeant at Arms shall secure other office space in those places.

(b) The aggregate square feet of office space secured for a Senator shall not at any time exceed—

(1) 4,800 square feet if the population of his State is less than 2,000,000;

(2) 5,000 square feet if such population is 2,000,000 but less than 3,000,000;

(3) 5,200 square feet if such population is 3,000,000 but lesst than 4,000,000;

(4) 5,400 square feet if such population is 4,000,000 but less than 5,000,000;

(5) 5,800 square feet if such population is 5,000,000 but less than 7,000,000;

(6) 6,200 square feet if such population is 7,000,000 but less than 9,000,000;

(7) 6,400 square feet if such population is 9,000,000 but less than 10,000,000;

(8) 6,600 square feet if such population is 10,000,000 but less than 11,000,000;

(9) 6,800 square feet if such population is 11,000,000 but less than 12,000,000;

(10) 7,000 square feet if such population is 12,000,000 but less than 13,000,000;

(11) 7,400 square feet if such population is 13,000,000 but less than 15,000,000;

(12) 7,800 square feet if such population is 15,000,000 but less than 17,000,000; or

(13) 8,000 square feet if such population is 17,000,000 or more.

(c) The maximum annual rate that may be paid for the rental of an office secured for a Senator not in a post office or other Federal building shall not at any time exceed the applicable rate per square foot charged Federal agencies by the Administrator of General Services, based upon a 100 percent building quality rating, for office space located in the place in which the Senator's office is located, multiplied by the number of square feet contained in that office used by the Senator and his employees to perform their duties.

(d) (1) Notwithstanding subsection (b), the aggregate square feet of office space secured for a Senator who is a Senator on July 1, 1974, shall not at any time exceed, as long as he continuously serves as a Senator, the greater of—

(A) the applicable square footage limitation of such subsection; or

(B) the total square footage of those offices that the Senator has on such date and which are continuously maintained in the same buildings in which such offices were located on such date.

(2) The provisions of subsection (c) do not apply to any office that a Senator has on July 1, 1974, not in a post office or other Federal building, as long as—

(A) that Senator continuously serves as a Senator; and

(B) that office is maintained in the same building which it was located on such date and contains not more than the same number of square feet it contained on such date.

(e) Clause (4) of subsection (a), the last sentence of subsection (c), and subsection (d) of section 506 of the Supplemental Appropriations Act, 1973, are repealed.

(f) This section is effective on and after July 1, 1974.

Mr. CASEY of Texas (during the reading). Mr. Speaker, inasmuch as amendments Nos. 1 through 30 relate solely to housekeeping operations of the other body in which, by practice, the House concurs without intervention, I ask unanimous consent that Senate amendments Nos. 1 through 30 be considered as read, printed in the RECORD, and that they be considered en bloc.

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

There was no objection.

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendments of the Senate numbered 1 through 30 inclusive and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 31: On page 14, line 14, insert:

4. The Secretary of the Senate, the Sergeant at Arms and Doorkeeper of the Senate, and the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $38,760. The Secretary for the Majority (other than the incumbent holding office on June 15, 1974) and the Secretary for the Minority shall each be paid at an annual rate of compensation of $38,190. The Secretary for the Majority (as long as that position is occupied by such incumbent) may be paid at a maximum annual rate of compensation not to exceed $38,190. The four Senior Counsels in the Office of the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $37,620. The Assistant Secretary of the Senate, the Parliamentarian, and the Financial Clerk may each be paid at a maximum annual rate of compensation not to exceed $37,620. The Administrative Assistant in the Office of the Majority Leader, the Assistant Secretary for the Majority, the Administrative Assistant in the Office of the Minority Leader, and the Assistant Secretary for the Minority may each be paid at a maximum annual rate of compensation not to exceed $36,765. The Administrative Assistant in the Office of the Majority Whip and the Administrative Assistant in the Office of the Minority Whip may each be paid at a maximum annual rate of compensation not to exceed $35,625. The two committee employees referred to in clause (A), and the three committee employees referred to in clause (B), of section 105(e)(3) of the Legislative Branch Appropriation Act, 1968, as amended and modified, may each be paid at a maximum annual rate of compensation not to exceed $37,050. The four committee employees referred to in such clause (A) and the sixteen committee employees referred to in such clause (B) may each be paid at a maximum annual rate of compensation not to exceed $35,625. The one employee in a Senator's office referred to in section 105(d)(2)(ii) of such Act may be paid at a maximum annual rate of compensation not to exceed $37,050. Any officer or employee whose pay is subject to the maximum limitation referred to in section 105(f) of such Act may be paid at a maximum annual rate of compensation not to exceed $37,050. This paragraph does not supersede (1) any provision of an order of the President pro tempore of the Senate authorizing a higher rate of compensation, and (2) any authority of the President pro tempore to adjust rates of compensation or limitations referred to in this paragraph under section 4 of the Federal Pay Comparability Act of 1970. This paragraph is effective July 1, 1974.

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 31 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

4. The Secretary of the Senate, the Sergeant at Arms and Doorkeeper of the Senate, and the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $38,760. The Secretary for the Majority (other than the incumbent holding office on June 15, 1974) and the Secretary for the Minority shall each be paid at an annual rate of compensation of $38,190. The Secretary for the Majority (as long as that position is occupied by such incumbent) may be paid at a maximum annual rate of compensation not to exceed $38,190. The four Senior Counsels in the Office of the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $37,620. The Assistant Secretary of the Senate, the Parliamentarian, and the Financial Clerk may each be paid at a maximum annual rate of compensation not to exceed $37,620. The Administrative Assistant in the Office of the Majority Leader, the Assistant Secretary for the Majority, the Administrative Assistant in the Office of the Minority Leader, and the Assistant Secretary

for the Minority may each be paid at a maximum annual rate of compensation not to exceed $36,765. The Administrative Assistant in the Office of the Majority Whip and the Administrative Assistant in the Office of the Minority Whip may each be paid at a maximum annual rate of compensation not to exceed $35,625. The two committee employees other than joint committee employees referred to in clause (A), and the three committee employees referred to in clause (B), of section 105(e)(3) of the Legislative Branch Appropriation Act, 1968, as amended and modified, may each be paid at a maximum annual rate of compensation not to exceed $37,050. The four committee employees other than joint committee employees referred to in such clause (A) and the sixteen committee employees referred to in such clause (B) may each be paid at a maximum annual rate of compensation not to exceed $35,625. The one employee in a Senator's office referred to in section 105(d)(2)(ii) of such Act may be paid at a maximum annual rate of compensation not to exceed $37,050. Any officer or employee whose pay is subject to the maximum limitation referred to in section 105(f) of such Act may be paid at a maximum annual rate of compensation not to exceed $37,050. This paragraph does not supersede (1) any provision of an order of the President pro tempore of the Senate authorizing a higher rate of compensation, and (2) any authority of the President pro tempore to adjust rates of compensation or limitations referred to in this paragraph under section 4 of the Federal Pay Comparability Act of 1970. This paragraph is effective July 1, 1974.

Mr. CASEY of Texas (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

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

There was no objection.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 32: On page 16, line 8, insert:

5. Effective July 1, 1974, the last full paragraph under the heading "ADMINISTRATIVE PROVISIONS" in the appropriation for the Senate in the Legislative Branch Appropriation Act, 1972, is amended to read as follows:

Each officer or member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate, who performs duty in addition to the number of hours of his regularly scheduled tour of duty for any day on or after July 1, 1974, is entitled to be paid compensation (when ordered to perform such duty by proper authority) or receive compensatory time off for each such additional hour of duty, except that an officer shall be entitled to such compensation only upon a determination made by the Capitol Police Board with respect to any additional hours. Compensation of an officer or member for each additional hour of duty shall be paid at a rate equal to his hourly rate of compensation in the case of an officer, and at a rate equal to one and one-half times his hourly rate of compensation for a member of such force. The hourly rate of compensation of such officer or member shall be determined by dividing his annual rate of compensation by 2,080. Any officer or member entitled to be paid compensation for such additional hours shall make a written election, which is irrevocable, whether he desires to be paid that compensation or to receive compensatory time off instead for each such hour. Compensation due officers and members under this paragraph shall be paid by the Secretary, upon certification by the Chief of the Capitol Police at the end of each calendar quarter and approval of the Capitol Police Board, from funds available in the Senate appropriation, "Salaries, Officers and Employees" for the fiscal year in which the additional hours of duty are performed without regard to the limitations specified therein. Any compensatory time off accrued and not used by an officer or member at the time he is separated from service on the Capitol Police force may not be transferred to any other department, agency, or establishment of the United States Government or the government of the District of Columbia, and no lump-sum amount shall be paid for such accrued time. The Capitol Police Board is authorized to prescribe regulations to carry out this paragraph.

Mr. CASEY of Texas (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

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

There was no objection.

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 32 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 33: On page 17, line 23, insert:

6. Effective July 1, 1974, the first sentence of section 105(d)(1)(A) of the Legislative Branch Appropriation Act, 1968, as amended and modified, is amended to read as follows: "The aggregate of gross compensation paid employees in the office of a Senator shall not exceed during each calendar year the following:

"$370,215 if the population of his State is less than 2,000,000;

"$381,330 if such population is 2,000,000 but less than 3,000,000;

"$408,120 if such population is 3,000,000 but less than 4,000,000;

"$442,605 if such population is 4,000,000 but less than 5,000,000;

"$470,820 if such population is 5,000,000 but less than 7,000,000;

"$500,460 if such population is 7,000,000 but less than 9,000,000;

"$532,665 if such population is 9,000,000 but less than 10,000,000;

"$557,460 if such population is 10,000,000 but less than 11,000,000;

"$589,950 if such population is 11,000,000 but less than 12,000,000;

"$614,745 if such population is 12,000,000 but less than 13,000,000;

"$646,380 if such population is 13,000,000 but less than 15,000,000;

"$678,015 if such population is 15,000,000 but less than 17,000,000;

"$709,650 if such population is 17,000,000 or more."

Mr. CASEY of Texas (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

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

There was no objection.

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 33 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: On page 19, line 5, insert:

7. Any witness requested to appear before the Majority Policy Committee or the Minority Policy Committee shall be entitled to a witness fee for each full day spent in traveling to and from the place at which he is to appear, and reimbursement of actual and necessary transportation expenses incurred in traveling to and from that place, at rates not to exceed those rates paid witnesses appearing before committees of the Senate.

Mr. CASEY of Texas (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

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

There was no objection.

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 34 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 37: On page 25, line 3, strike out "$939,805" and insert: "$894,176."

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 37 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "$950,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 38: On page 25, line 5, insert:

For an amount (to be disbursed by the Secretary of the Senate on vouchers signed by the chairman or vice chairman and the chairman of the subcommittee) for the Subcommittee on Fiscal Policy, $135,000, to be available until December 31, 1974.

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 38 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: Page 29, line 5, strike out: to pay the lieutenant detailed under the authority of this paragraph the salary of lieutenant plus $1,625 and such increases in basic compensation as may be subsequently provided by law so long as this position is held by the present incumbent and insert in lieu thereof: "to elevate and pay the lieutenant detailed under the authority of this paragraph the rank and salary of captain plus $1,625 and such increases in basic compensation as may be subsequently provided by law so long as this position is held by the present incumbent,".

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 42 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: Page 29, line 15, insert the words: and uniform sergeant".

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 43 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 44: Page 29, line 18, strike out "this position is" and insert in lieu thereof: "these positions are".

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 45 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 45: On page 29, line 10, strike out "incumbent" and insert in lieu thereof: "incumbents,".

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 45 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: On page 32, line 5, insert:

ADMINISTRATIVE PROVISION

Section 106(a) of the Legislative Branch Appropriation Act, 1963, is amended by adding at the end thereof:

"(8) The Chief Guide, Assistant Chief Guide, and each Guide of the Capitol Guide Service established under section 441 of the Legislative Reorganization Act of 1970."

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 51: On page 34, line 13, insert:

RESTORATION OF WEST CENTRAL FRONT OF CAPITOL AND MASTER PLAN FOR FUTURE DEVELOPMENT OF THE CAPITOL GROUNDS AND RELATED AREAS

Notwithstanding any other provision of law, (1) the Architect of the Capitol, under the direction of the Senate and House Office Building Commissions acting jointly, is hereby authorized and directed to restore the West Central Front of the United States Capitol (without change of location or change of the present architectural appearance thereof), and there is herein appropriated $20,600,000 for such purpose: *Provided*, That the Architect of the Capitol, under the direction of such Commissions acting jointly, is authorized and directed to enter into such contracts, including cost-plus-a-fixed-fee contracts, incur such obligations, and make such expenditures for personal and other services and other expenses as may be necessary to restore said West Central Front: *Provided further*, That any cost-plus-a-fixed-fee general construction contract entered into under this authority to restore said West Central Front shall be awarded on competitive bidding among selected responsible general contractors approved by such Commissions upon the amount of the fixed fee to accrue from the performance of such contract: *Provided further*, That with the exception of any subcontract to be made by the general contractor for underpinning, foundation, and special restoration work and work incidental and appurtenant thereto, which may be a cost-plus-a-fixed-fee contract, all other subcontracts made by the general contractor shall be fixed price contracts awarded on competitive bids received from responsible subcontractors, and (2) the Architect of the Capitol is hereby authorized and directed to prepare studies and develop a master plan for future developments within the United States Capitol Grounds, for the future enlargement of such Grounds through the acquisition and development of areas in the vicinity thereof, and for the future acquisition and development of other areas deemed appropriate by him to include in and incorporate as a part of such plan, in order to provide within such areas for future expansion, growth, and requirements of the legislative branch and such parts of the judiciary branch as deemed appropriate to include in such plan, after consultation with the leaders of the House and the Senate and the Chief Justice of the United States, and in order to project other anticipated growth in and adjacent to such areas, and there is herein appropriated $300,000 for such purpose, to be expended without regard to section 3709 of the Revised Statutes of the United States, as amended: *Provided*, That the Architect of the Capitol is authorized to enter into personal service and other contracts, employ personnel, confer with and accept services and assistance from the National Capital Planning Commission and other Government agencies and other interested parties to insure coordinated planning, and incur obligations and make expenditures for these and other items deemed necessary to develop such plan: *Provided further*, That upon completion of such plan, the Architect of the Capitol shall transmit to the Congress a report describing such plan, with illustrated drawings and other pertinent material; in all, $20,900,000 to remain available until expended.

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House further insist on its disagreement to the amendment of the Senate numbered 51.

PREFERENTIAL MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. ROYBAL moves that the House recede from its disagreement to Senate amendment No. 51 and concur therein.

Mr. ROYBAL. Mr. Speaker, the conferees to H.R. 14012 have reported in disagreement a provision passed by the other body which will appropriate $20.6 million for the restoration of the west front of the Capitol and $300,000 for the preparation of an overall plan of development for Capitol Hill.

The House-passed version of the bill does not contain a provision for either the master plan, the extension, or the restoration of the west front.

Consequently, I have introduced a privileged motion that the House recede from its disagreement to the amendment of the Senate, No. 51, and concur therein.

This matter has been under discussion by this House on many occasions, and I think that the Members of the House of Representatives have all the facts with regard to either the restoration of the Capitol or its extension.

We all know, as a matter of fact, that the Praeger report of 1970 estimated that it would cost $15 million to restore the West Front. It also pointed out that it would cost in the neighborhood of $60 million for the extension of the Capitol. Just recently John C. Cavanaugh, who was one of the principals involved in the Praeger report, estimated that it would cost $20.6 million to restore the Capitol, if it were started immediately.

Based on that particular estimate, experts now estimate that if we started on the extension of the Capitol, it would cost at least $80 million.

The other body, in its wisdom, appropriated $20.6 million for the restoration of the Capitol, and this was based on testimony that was presented to that committee by experts, who testified to the fact that the restoration would take no more than 1 year's time to complete. This would make it well within

the period before the Bicentennial celebration.

We must also not lose sight of the fact, that by adopting my amendment we will appropriate $300,000 to study the overall space needs of Capitol Hill.

Many of us have been complaining because our offices are too small, and some of us have signed a petition that Members of the House of Representatives be allowed to use space in the new building that was being constructed as an extention of the Library of Congress. It is quite evident that more space is needed by Members of the House. That we do know, but the space that is needed has to be, first of all, the subject of a thorough study.

This is what the $300,000 would be used for.

Mr. Speaker, the Bicentennial celebration will bring thousands of people daily into Capitol Hill, and if that wall is in ill repair and if that wall is dangerous, then those people should not be permitted to go anywhere near the west end of the Capitol.

I believe that it is incumbent upon this body to appropriate the money that is necessary to restore the West Front of the Capitol so that it will be ready when the Bicentennial starts. And it can be done by this body here today by adopting the amendment that I have offered.

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

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

Mr. ROUSH. Mr. Speaker, I strongly support the gentleman's position. I think it would be a shame for the millions of people who are coming to this Capital City during 1976 to see the unsightly props and the sad condition of the West Front of this Capitol Building. We should act to restore and we should act now.

I hope that this House will concur in the gentleman's privileged motion that the House recede from its disagreement and concur with the Senate amendment.

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

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

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

Every time this matter has been before this body, since I have been here, I have supported the gentleman in his view that we should be for restoration of the historic West Front and not for its replacement and extension.

We do not have many historic buildings left, and we ought to save them.

So I concur with the gentleman's position here that we should recede and concur with the Senate amendment, as it will provide for that restoration and will end the proposal for extension.

Mr. CASEY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is true that this matter has been kicking around, as they say, for 8 years, because the House has wanted to extend the west central front of the Capitol, based on the law which gave the Commission on Extension of the U.S. Capitol the authority to decide what should be done. The membership of the Commission is made up of the Speaker as chairman, the President of the Senate, the minority and majority leaders of both our body and the other body, and the Architect of the Capitol. It is that Commission that made the determination for extension.

There are some Members who are determined that we are going to restore the old west front and want to forget about the need for additional space.

Mr. Speaker, let me tell the Members this: We did not put funds for extension in the original bill we brought to the floor this year for two reasons:

First. We did not want to take up the time of the House again, because we knew the temper of the other body.

Second. Either extension or restoration would interfere with the enjoyment of the people of this Nation who will be visiting the Capitol during the celebration of the Bicentennial.

Now, when they say, "restoration," some of us may just think, well, that means we go out there and put in a few reinforcements in the stone and put on a new coat of paint.

Let me point out to the Members what "restoration" entails. Restoration means taking off that old paint. They have been coating it with paint since about 1822. It is estimated that there may be as many as 30 coats of paint on that sandstone wall. In places it is as much as one-quarter-inch thick. All of it would have to be taken off.

The wall has to be reinforced. And how do they propose doing that? It is estimated they will have to drill over 5,700 holes in that wall and pump in grout, as they call it, which is a kind of cement, to reinforce it.

Mr. Speaker, one of the Members who advocates yielding to this Senate amendment has said, "Well, it will only take a year."

The chairman of the committee in the other body said that the estimates he has received are that it would take from a year and a half to 2 years to complete restoration. If any of the Members have seen them complete a job around here in the time originally estimated, I will buy them a new Stetson hat. It just is not done.

If you have visitors coming up here to the Capitol during the Bicentennial year they will not be able to use the beautiful terraces that the proponents of restoration want to preserve. You will not be able to get them near the west front because of the sand blasting and drilling that will be going on. In addition, part of the interior of the Capitol would no doubt have to be vacated during the work.

So I say, Mr. Speaker, let us postpone this argument. It has been kicked around here long enough. Let us postpone it until after the Bicentennial celebration. I would much rather that our visitors would see a few of these props on the west front—and, mind you, no one wants to take those props out, even though some people say that they are there just for looks, but they do not want to take the responsibility of taking them out. So, let us postpone action and then have our fight after the Bicentennial, and settle it once and for all, if we possibly can.

Whenever I go out here in our visitors' room, the Rayburn room, to try to talk to some of my constituents—and I am guilty of this sometimes myself—you cannot get in there because of the Members who are using it with their secretaries while signing their mail. And yet some people say we do not need any more room in the Capitol.

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

Mr. CASEY of Texas. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Speaker, I would ask the gentleman from Texas, if he has any estimate as to how much it would cost in 1977 or 1978, to either restore or extend the west front of the Capitol?

Mr. CASEY of Texas. No. I do not have any more idea about that than the gentleman does. Prices may be down by then, and it may cost a lot less in 1978 than right now.

Mr. ROYBAL. Let me state to the gentleman from Texas that it will be a miracle indeed if construction prices go down. On the contrary, the way the cost of construction is increasing at the present time it would cost considerably more.

Mr. CASEY of Texas. Mr. Speaker, I would say to the gentleman from California that if some of the Members had not been so stubborn we would have had more space, and the west front would have been completed, just like the east front that everybody is now so proud of. We could have had it completed by now and at a lesser cost. So the argument the gentleman from California raises does not hold water.

Mr. ROYBAL. I also remember that the gentleman from Texas did oppose at least a year ago a recommendation that was made to make a study of space needs.

Mr. CASEY of Texas. No. No. I did not oppose that one.

Mr. ROYBAL. And this is the same recommendation, that we appropriate funds for a study of our space needs.

Mr. CASEY of Texas. The gentleman from California will recall when we were in the conference with the chairman from the other body, and we wanted to include $300,000 for a study. The gentleman knows what the answer was.

They did not want any money for a master plan without money for restoration.

Mr. ROYBAL. Perhaps it would be a good idea for the House now to make that recommendation.

Mr. CASEY of Texas. We will let the House decide this. But I do want the Members of the House to realize that when you vote to reject this Senate amendment, that you are not committing yourself for either extension or restoration of the West Front. You are merely saying let us postpone action, and let our people enjoy the Capitol without scaffolding and workmen around it during the Bicentennial celebration.

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

Mr. CASEY of Texas. I yield to the distinguished gentleman from Texas.

Mr. MAHON. Mr. Speaker, I just want to say that a majority of the Committee on Appropriations are firmly in support of the position taken by the gentleman from Texas (Mr. CASEY). We do not believe that it would be wise to start the work on the West Front at this time, a time when we are approaching the Bicentennial celebration.

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

Mr. CASEY of Texas. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Speaker, I would like to make the point, insofar as the motion of the gentleman from California is concerned, that we on the Appropriations Subcommittee do not want any money in this bill at this time for the west front, either for restoration or for extension.

As the gentleman knows, I happen to be one of those who believes in extension of the west front of the Capitol. I think this will make our Nation's Capitol prettier, as a lot of the other Members do, based upon the sketches we have seen and some of the mockups of the Capitol that have been presented to us, and it certainly will make the Capitol more utilitarian.

I do not think if we are talking about space, that you can talk about space at the Madison Building because that is not the kind of space that the House needs. What is needed is space close to the floor. But that is beside the point.

We did not in the subcommittee, of which the gentleman is a member, put any money in this bill for the extension or for restoration of the west front of the Capitol, because we thought that we could not get anywhere with the other body when the chairman of its corresponding subcommittee is adamantly hostile on the subject of extension, so we left out an appropriation for extension.

Bicentennial factors notwithstanding, we ought not at this time to accord with the motion of the gentleman from California. We ought to leave this west front issue alone for now and insist on the House disagreement.

Mr. CASEY of Texas. I thank the gentleman. He has been a very strong contributor to this subcommittee. He well knows what we put up with in conference.

Mr. WYMAN. If the gentleman will yield further, the subject of money has been brought up. It has been said it will cost $20.6 million now for restoration; it was only $15 million the last time. It is claimed that it will cost $80 million to extend it; and it was only $55 million the last time. These claims are arguable. We do not know what the money factors are at the present time, and we do not know what use is going to be able to be possible of the Madison Building. There is a whole new ball game on this subject that is going to be considered by this subcommittee next year. At the present time the thing to do with this is to leave it alone and not put any money in this conference report for either extension or restoration. The Roybal substitute should be rejected.

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

Mr. CASEY of Texas. I yield to the gentleman from New York.

Mr. STRATTON. I appreciate the gentleman's yielding.

The argument is being made now that we ought not do anything about the west front until after the Bicentennial, although it was only a few years ago that we were being told that the Capitol was going to collapse tomorrow if we did not put this costly extension on immediately.

Mr. CASEY of Texas. Is the gentleman for it? I am agreeing with him now. I am sorry I cannot even agree with him without him disagreeing with me.

Mr. STRATTON. If the gentleman will yield further, what I am saying is that the gentleman's proposal would suggest now that we wait until 1977. But, as the gentleman from California (Mr. ROYBAL) said, just a moment ago, at the rate inflation is going up now, only heaven knows what the cost will be in 1977. We are certainly going to have to settle our office space problems before 1977, and we are going to have to do something about this building before 1977 or we will not be able to afford it. I think we ought to vote the $20 million now and get the work under way. The experts have told us we can do it in a year.

Mr. CASEY of Texas. I have heard no experts. The gentleman is just saying "experts." That is a good word. But the gentleman on the Senate side stated the estimates were a year and a half to two years. That is what the gentleman who put the amendment in stated.

Mr. Speaker, I do not yield any further.

Mr. STRATTON. If the gentleman will yield further, Mr. Eisenberg, the president of the Universal Restoration Co., the fellow who was responsible for the Williamsburg restoration, testified that it can be done in a single year.

Mr. CASEY of Texas. I again repeat that nothing has been done in the 16 years I have been here, and I am sure that follows the pattern that has been going on for a hundred years.

I urge the House not to let the Senate try to force restoration on the House, and to vote no on the gentleman's preferential motion.

The SPEAKER. Without objection, the previous question is ordered on the preferential motion offered by the gentleman from California (Mr. ROYBAL).

There was no objection.

The SPEAKER. The question is on the preferential motion offered by the gentleman from California (Mr. ROYBAL).

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. STRATTON. 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 192, nays 203, not voting 39, as follows:

[Roll No. 430]

YEAS—192

Abdnor	Gilman	Pettis
Abzug	Ginn	Peyser
Adams	Goodling	Pike
Addabbo	Green, Pa.	Preyer
Archer	Gross	Price, Tex.
Armstrong	Grover	Pritchard
Ashbrook	Gubser	Quie
Ashley	Gude	Railsback
Aspin	Haley	Randall
Badillo	Hamilton	Rangel
Baker	Hammer-schmidt	Rarick
Bauman	Hanley	Rees
Beard	Harrington	Regula
Bell	Hastings	Reuss
Bennett	Hawkins	Rhodes
Biester	Hébert	Riegle
Bingham	Hechler, W. Va.	Rinaldo
Boggs	Heckler, Mass.	Rodino
Bray	Heinz	Roncallo, N.Y.
Breaux	Helstoski	Rooney, Pa.
Breckinridge	Hicks	Rosenthal
Broomfield	Hillis	Roush
Brotzman	Holt	Rousselot
Brown, Calif.	Holtzman	Roybal
Brown, Mich.	Hosmer	Runnels
Broyhill, N.C.	Howard	St Germain
Buchanan	Hudnut	Sandman
Burke, Fla.	Hunt	Satterfield
Burton, John	Hutchinson	Schroeder
Burton, Phillip	Johnson, Colo.	Sikes
Byron	Jordan	Spence
Carney, Ohio	Karth	Stanton, J. William
Cleveland	Kastenmeier	Stark
Cohen	Ketchum	Steele
Collier	King	Steelman
Collins, Tex.	Koch	Steiger, Ariz.
Conable	Lagomarsino	Steiger, Wis.
Conlan	Landgrebe	Stratton
Conte	Leggett	Studds
Corman	Lent	Sullivan
Crane	Lujan	Symms
Daniel, Dan	McKinney	Thone
Daniel, Robert W., Jr.	Mallary	Thornton
Davis, S.C.	Martin, N.C.	Udall
Dellums	Mathias, Calif.	Ullman
Dennis	Mayne	Van Deerlin
Derwinski	Mazzoli	Vander Jagt
Devine	Mezvinsky	Vigorito
Dorn	Miller	Waggonner
Drinan	Mink	Waldie
Duncan	Mitchell, N.Y.	Walsh
du Pont	Moakley	Whalen
Eckhardt	Mollohan	Whitehurst
Edwards, Ala.	Montgomery	Widnall
Edwards, Calif.	Moorhead, Calif.	Wilson, Charles, Tex.
Ellberg	Moorhead, Pa.	Wolff
Eshleman	Mosher	Wright
Findley	Murtha	Wylie
Fish	Nedzi	Yates
Flowers	Nichols	Young, Alaska
Ford	Obey	Young, Fla.
Fraser	O'Brien	Young, S.C.
Frelinghuysen	Passman	Zwach
Fuqua	Perkins	
Gettys		

NAYS—203

Alexander	Casey, Tex.	Fascell
Anderson, Calif.	Cederberg	Flynt
Anderson, Ill.	Chamberlain	Foley
Andrews, N.C.	Clancy	Forsythe
Andrews, N. Dak.	Clark	Fountain
Annunzio	Clausen, Don H.	Frenzel
Arends	Clawson, Del	Frey
Bafalis	Cochran	Froehlich
Barrett	Collins, Ill.	Gaydos
Bergland	Conyers	Giaimo
Bevill	Cotter	Gibbons
Biaggi	Coughlin	Goldwater
Blackburn	Cronin	Gonzalez
Boland	Daniels, Dominick V.	Grasso
Bolling	Danielson	Gray
Bowen	Davis, Wis.	Guyer
Brademas	Delaney	Hanna
Brinkley	Dellenback	Hanrahan
Brooks	Denholm	Harsha
Brown, Ohio	Dent	Hays
Broyhill, Va.	Dickinson	Henderson
Burgener	Dingell	Hinshaw
Burke, Calif.	Donohue	Hogan
Burke, Mass.	Downing	Horton
Burleson, Tex.	Dulski	Huber
Burlison, Mo.	Erlenborn	Hungate
Butler	Esch	Ichord
Camp	Evans, Colo.	Jarman
		Johnson, Calif.
		Johnson, Pa.

Jones, Okla.	Murphy, Ill.	Snyder
Kazen	Murphy, N.Y.	Staggers
Kluczynski	Myers	Stanton, James V.
Kyros	Natcher	Steed
Latta	Nelsen	Stokes
Lehman	Nix	Stubblefield
Litton	O'Hara	Stuckey
Long, La.	O'Neill	Talcott
Long, Md.	Parris	Taylor, Mo.
Lott	Patman	Taylor, N.C.
Luken	Patten	Teague
McClory	Pepper	Thompson, N.J.
McCloskey	Pickle	Thomson, Wis.
McCollister	Poage	Tiernan
McCormack	Powell, Ohio	Towell, Nev.
McDade	Price, Ill.	Traxler
McEwen	Roberts	Treen
McFall	Robinson, Va.	Vander Veen
McKay	Robison, N.Y.	Vanik
Macdonald	Roe	Veysey
Madden	Rogers	Wampler
Madigan	Rose	Ware
Mahon	Rostenkowski	White
Mann	Roy	Whitten
Maraziti	Ruth	Williams
Martin, Nebr.	Ryan	Wilson, Bob
Mathis, Ga.	Sarasin	Wilson, Charles H., Calif.
Matsunaga	Sarbanes	Winn
Meeds	Scherle	Wyatt
Melcher	Sebelius	Wydler
Metcalfe	Seiberling	Wyman
Michel	Shipley	Yatron
Milford	Shoup	Young, Ga.
Mills	Shriver	Young, Ill.
Minish	Shuster	Young, Tex.
Minshall, Ohio	Sisk	Zablocki
Mitchell, Md.	Skubitz	Zion
Mizell	Slack	
Morgan	Smith, Iowa	
Moss	Smith, N.Y.	

NOT VOTING—39

Blatnik	Flood	Landrum
Brasco	Fulton	McSpadden
Carey, N.Y.	Green, Oreg.	Owens
Carter	Griffiths	Podell
Chappell	Gunter	Quillen
Chisholm	Hansen, Idaho	Reid
Clay	Hansen, Wash.	Roncalio, Wyo.
Culver	Holifield	Rooney, N.Y.
Davis, Ga.	Jones, Ala.	Ruppe
de la Garza	Jones, N.C.	Schneebeli
Diggs	Jones, Tenn.	Stephens
Evins, Tenn.	Kemp	Symington
Fisher	Kuykendall	Wiggins

So the preferential motion was rejected.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Culver.
Mr. Fulton with Mr. Fisher.
Mr. Flood with Mrs. Green of Oregon.
Mr. Carey of New York with Mrs. Griffiths.
Mr. de la Garza with Mrs. Hansen of Washington.
Mr. Evins of Tennessee with Mr. Holifield.
Mr. Jones of Alabama with Mr. Landrum.
Mr. Podell with Mr. Roncalio of Wyoming.
Mr. Owens with Mr. Wiggins.
Mr. Symington with Mr. Kemp.
Mr. Jones of North Carolina with Mr. Kuykendall.
Mr. Davis of Georgia with Mr. Carter.
Mr. Clay with Mr. Brasco.
Mr. Blatnik with Mrs. Chisholm.
Mr. Reid with Mr. Diggs.
Mr. Stephens with Mr. Quillen.
Mr. Jones of Tennessee with Mr. Ruppe.
Mr. Chappell with Mr. Schneebeli.
Mr. Gunter with Mr. McSpadden.

The result of the vote was announced as above recorded.

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

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 52: On page 37, line 5, insert:

The amount of $250,000 of the appropriation under this head for the fiscal year 1974, for modifications to and replacement of existing traffic signals and installation of additional traffic signals and all items appurtenant thereto, is hereby continued available until June 30, 1975.

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 52 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 53: On page 37, line 10, insert:

SENATE OFFICE BUILDING

For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel, and for personal and other services; for the care and operation of the Senate Office Buildings; including the subway and subway transportation systems connecting the Senate Office Buildings with the Capitol; uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902), prevention and eradication of insect and other pests without regard to selection 3709 of the Revised Statutes as amended; to be expended under the control and supervision of the Architect of the Capitol in all, $6,620,800.

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 54: On page 38, line 1, insert:

SENATE GARAGE

For maintenance, repairs, alterations, personal and other services, and all other necessary expenses, $103,300.

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 54 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 60: On page 45, line 25, insert:

Funds available to the Library of Congress may be expended to provide additional parking facilities for Library of Congress employees in an area or areas in the District of Columbia outside the limits of the Library of Congress grounds, and to provide for transportation of such employees to and from such area or areas and the Library of Congress grounds without regard to the limitations imposed by 31 U.S.C. 638a(c)(2).

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 60 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 68: On page 51, line 19, insert:

SEC. 106. Notwithstanding any other provision of law, the citizenship or nationality of Karin Birgitta Holmen shall not prohibit the Secretary of the Senate from paying compensation to the said Karin Birgitta Holmen while serving as an employee of the Senate.

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 68 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 69: On page 51, line 24, insert:

SEC. 107. Section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)), relating to the use of foreign currency, is amended by striking out the last two sentences and inserting in lieu thereof the following: "Each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first sixty days that Congress is in session in each calendar year, the chairman of such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member or employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or joint committee whose funds are disbursed by the Secretary of the Senate). Each such report submitted by each committee shall be published in the Congressional Record within ten legislative days after receipt by the Committee on House Administration or the Committee on Appropriations of the Senate.".

MOTION OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CASEY of Texas moves that the House recede from its disagreement to the amendment of the Senate numbered 69 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

SEC. 107. Section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754(b)), relating to the use of foreign currency, is

amended by striking out the last two sentences and inserting in lieu thereof the following: "Each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditure, including lodging, meals, transportation and other purposes. Within the first sixty days that Congress is in session in each calendar year, the chairman of such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member or employee of such committee or subcommittee, and shall forward such consolidated report to the Clerk of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Secretary of the Senate (if the committee be a Senate committee or joint committee whose funds are disbursed by the Secretary of the Senate).".

Mr. CASEY of Texas (during the reading). Mr. Speaker. I ask unanimous consent that the motion be considered as read.

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

There was no objection.

The motion was agreed to.

Mr. DU PONT. Mr. Speaker, will the gentleman yield?

Mr. CASEY of Texas. I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Speaker, I thank the gentleman for yielding.

As the Members of the House well know, this issue has been a very controversial one ever since last year's State Department authorization bill, by some kind of language which nobody noted, removed the requirement that Members' travel expenses be printed in the CONGRESSIONAL RECORD.

I feel very strongly that we should return to the former policy. While I appreciate what has been done in this conference report, I just want to say that when the State Department authorization bill comes to the floor of the House, I will offer an amendment to that bill to put the printing requirement back in, so that in the future all Members' travel expenses will be published and generally available.

Mr. Speaker, I bring this up because yesterday in the Committee on Foreign Affairs I made an effort to put an amendment on the State Department authorization bill. I was denied an opportunity to do that. I just want the Members to know that it will be coming up when that bill comes to the floor, and we will have an opportunity to put the law back the way it belongs.

Mr. CASEY of Texas. Mr. Speaker, I thank the gentleman for his comments. I think that is the way it should be done.

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

Mr. CASEY of Texas. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Speaker, the recommendation of the conferees in reference to amendment No. 69 of the legislative branch appropriations bill is a considerable step forward over the present situation relating to the reporting of Members' foreign travel.

Because of legislation passed last year, reports of Members' foreign travel are not published in the CONGRESSIONAL RECORD, as used to be the case, but are gathered in the files of the various committees. There is no central repository for these reports, and it has therefore proved difficult to get this information out into public view where it belongs.

I introduced legislation with the cosponsorship of a number of my colleagues to restore publication of such reports in the CONGRESSIONAL RECORD because I believe the public has a right to this information and should not be made to dig for it. Nevertheless, I support the conference proposal on this provision on the basis that reports will be complete in that they will include expenditures of both appropriated funds and counterpart funds used by Members and staff for official foreign travel, and all such reports will be filed together with the Secretary of the Senate and the Clerk of the House.

Therefore, I would like to ask the gentleman this: To what extent will these records be available to the public and to the press?

Mr. CASEY of Texas. It is the intention of this gentleman and, I am sure, the intention of all the conferees, that these records be open to anyone for inspection. That includes anyone who walks in off the street and says, "I understand you have records here" on such-and-such a committee "and I would like to see them."

Mr. GUDE. Then the records would be available to anybody during regular working hours?

Mr. CASEY of Texas. Yes, indeed.

Mr. GUDE. Mr. Speaker, if the gentleman will yield further, the copying of all of these records would be quite an arduous task.

Will there be facilities available whereby the public or the press could obtain copies of these records by paying an appropriate cost?

Mr. CASEY of Texas. Mr. Speaker, I am sure that will be the case. They are public records, and all public records are available.

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

Mr. CASEY of Texas. I am pleased to yield to the gentleman from Ohio.

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

In answer to the question asked by the gentleman from Maryland (Mr. GUDE), the Committee on House Administration has adopted a principle that any records of that kind are available through Xerox copies, and I believe the cost is 10 cents a page. So anyone who wants to have a page or several pages copied will be able to have that done.

Mr. GUDE. Mr. Speaker, if the gentleman from Texas will yield, I think that is very important. They should have these facilities readily available. At the same time, however, I intend to continue to urge that my bill be adopted by the House so that these records can be available to the public as before.

Mr. Speaker, I thank the gentleman.

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

Mr. CASEY of Texas. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Speaker, I will say to the gentleman from Maryland that we discussed this at length in the subcommittee.

These records of these travel allowances are records that are going to be just as public if they are filed with the Clerk of the House and with the Secretary of the Senate as they would be if they are published in the CONGRESSIONAL RECORD.

As the gentleman from Ohio (Mr. HAYS) has said, there are Xerox machines available, and anybody who wants copies of these records can go and get them there or send someone to obtain them.

Instead of going through the process of publishing, at taxpayers' expense, pages and pages of these records in the CONGRESSIONAL RECORD, these records are going to be available from the custodians of the records of the two bodies of Congress, and the conferees concluded that this is a substantial improvement.

Mr. DU PONT. Mr. Speaker, will the gentleman yield?

Mr. CASEY of Texas. I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Speaker, in regard to the comments made by the gentleman from New Hampshire, that is not the case at all. I appreciate that the reports will be available here in Washington. However, when they are printed in the CONGRESSIONAL RECORD, which is the official record of this body, they are distributed throughout the country to those who subscribe to the CONGRESSIONAL RECORD, and they are available to everyone. We may say that somebody can just walk in and see them, but, although that may be true, it is certainly not the same thing as being able to put that information out to the public through the CONGRESSIONAL RECORD.

Mr. CASEY of Texas. Mr. Speaker, I thank the gentleman for his comments.

Mr. HAYS. Mr. Speaker, if the gentleman will yield, if the gentleman from Delaware offers his amendment to the bill which I will bring up soon I will have a substitute amendment that will cure the whole thing. My amendment will just let the Du Pont family pay for all the foreign travel, and then it will not cost the taxpayers anything.

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

Mr. CASEY of Texas. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, I would like to make a general comment. I do not think that the nature of the discussion this afternoon should leave any implication that in any way foreign travel by Members of the Congress is not legitimate, is not done for a meaningful purpose, and is not a matter of

public record, and is not in direct relationship to the responsibilities of the Members.

Mr. Speaker, the trouble is that we live in a period where a lot of people are taking cheap shots at the Members of the Congress, and that annually, the real big cheap shot is this old bugaboo of junketing. As far as I am concerned it is all overblown, overworked, and is a demagogic issue.

Mr. Speaker, I see my friend, the gentleman from Illinois (Mr. MURPHY) is on the floor, and he was one who took a trip abroad in the company of the gentleman from Texas (Mr. STEELMAN) during which they uncovered many new facets concerning the international drug trade there, and let me say that the recoveries from the results of their trip more than compensate for it, and indeed represents a tremendous investment on behalf of the public.

Further, I would think that every one of us who are responsible public officials know that when we travel abroad we are getting an education, and when we get an education we are better Members, and our constituents in the country and the people in the nations of the world are better off for having done this.

So far as I am concerned, there is no more impressive body in the world than the U.S. Congress, especially the House of Representatives, and when one of the Members travels abroad he is a diplomat, and indeed a spokesman for our country, and there is not one darned thing wrong with the expenditure of public funds for travel by the Members of the Congress.

And to think that there is something sinister or something wrong with this is just a lot of unnecessary soapbox oratory.

Mr. CASEY of Texas. I appreciate what the gentleman has to say.

Mr. GUDE. Mr. Speaker, if the gentleman will yield, in regard to the remarks of the gentleman from Illinois (Mr. DERWINSKI), his remarks shine as a light on this subject with a brightness equaled only by his sartorial splendor.

Mr. Speaker, I fully agree with the gentleman. We have nothing to fear by the public knowing the facts. When they know the facts, they can draw the proper conclusion as to the need and benefits derived from foreign travel.

For example, publicity by TV exposure has been very beneficial to the congressional image in the last few weeks. The televising of the proceedings of the Committee on the Judiciary has produced much favorable public response, such as that which I am receiving from my constituents. The mere televising of these hearings has thrown a favorable light on this Congress.

As a result, Congress is today less of a nameless image to them; the public sees that it is composed of hard-working men and women who are conscientiously trying to do a job in the best way possible.

So I agree with the gentleman from Illinois that, in making these records public, we have nothing to fear because the public will evaluate them appropriately.

Mr. DERWINSKI. Mr. Speaker, if the gentleman will yield for one more moment, for the sake of keeping the record clear, these records always have been available, and they always will be, and there is no attempt whatsoever to subvert public knowledge.

The trouble is that we have got a few self-appointed critics who are trying to leave the misguided impression that there has been an attempt to withhold this information from the public press and the public, and that is wrong, and I would like to have the record be clear on that point.

Mr. CASEY of Texas. Mr. Speaker, these records are all available in the various committee offices.

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

Mr. CASEY of Texas. Mr. Speaker, I move the previcus question on the motion.

The previous question was ordered.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

GENERAL LEAVE

Mr. CASEY of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to, and that I be permitted to include extraneous matter, including tabulations, charts, and summaries.

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

There was no objection.

NO KNOCK PROVISION

Mr. GUDE. Mr. Speaker, I note with interest the passage by the other body of legislation repealing so-called no-knock laws. I strongly opposed this provision in the District of Columbia Court Reform and Criminal Procedure Act of 1970, and I warned of the serious dangers of such legislation in my separate views in the committee report (H. Rept. 91–907) as follows:

The great debate over whether our police should have authority to enter a home without knocking and announcing their purpose has been extremely misleading. Our police officers already have ample authority under the common law and the Fourth Amendment to the Constitution to enter without knocking when the officer on the scene believes that his life will be endangered or that evidence will be destroyed if he identified himself and his mission. No-knock has clear constitutional sanction in such cases.

The provisions of this bill purport to codify this long-standing authority, but in fact, greatly expand it. For example, the bill authorizes a police officer to enter without knocking whenever "such notice would otherwise be a useless gesture." This catch-all standard, if it can be called a standard, gives no guidance to the police officer and none to the courts.

In addition, the bill authorizes the issuance of no-knock warrants where the judge issuing the warrant determines that giving of notice is likely to endanger the safety of the officer or cause the disposal or destruction of the evidence sought. I do not understand how a judgment of this kind—usually reserved for an experienced police officer on the scene—can be made in a courtroom in advance. One can only conclude that the provision will have the effect of authorizing no-knock in whole categories of cases where there is a possibility of danger or the destruction of evidence, and surely there is that possibility in almost every case.

There is no evidence of the necessity for such sweeping authority. Forty-six states do *not* have no-knock statutes, and there is no comparable provision in the Federal Rules of Criminal Procedure. The absence of no-knock authority cannot be critical if a federal narcotics team could capture over a million dollars worth of drugs here recently without it.

Finally, an honest mistake about an address could send police charging into the homes of the innocent, who might well respond by defending themselves, with tragic results. The wholesale no-knock authority provided by this bill will jeopardize the safety of our citizens and police alike, with no corresponding benefit to law enforcement in the District of Columbia.

I opposed no-knock legislation in 1970, and I oppose it now. It is a dangerous and unwarranted extension of police authority into the rights of private citizens. The District of Columbia Police Chief has stated that he had no objection to the repeal of no-knock authority. I hope the Interstate and Foreign Commerce Committee will follow the Senate's leadership and report the legislation favorably.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 14715

Mr. DULSKI. Mr. Speaker, I ask unanimous consent that the House managers may have until midnight tonight to file a conference report on the bill H.R. 14715.

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

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 93–1249)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14715) to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

That (a) section 105 of title 3, United States Code, is amended to read as follows:

"§ 105. Assistance and services for President and Vice President

"(a) Subject to the provisions of subsection (b) of this section, the President is authorized to appoint employees in the White House Office and the Executive Residence at the White House without regard to the provisions of title 5 governing appointments in the competitive service. Those employees shall perform such official duties as the President may prescribe.

"(b) The number of employees appointed under authority of subsection (a) of this section may not include—

"(1) during the period beginning on the date of enactment of this subsection and

ending immediately prior to January 1, 1976, more than—

"(A) 14 employees at the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of title 5; and

"(B) 21 employees at rates not to exceed the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of such title;

"(2) during the period beginning on January 1, 1976, and ending immediately prior to January 20, 1977, more than—

"(A) 12 employees at the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of such title;

"(B) 10 employees at the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of such title;

"(C) 9 employees at the rate of basic pay then currently in effect for level IV of the Executive Schedule of section 5315 of such title; and

"(D) 9 employees at the rate of basic pay then currently in effect for level V of the Executive Schedule of section 5316 of such title; and

"(3) on and after January 20, 1977, more than—

"(A) 8 employees at the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of such title;

"(B) 10 employees at the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of such title;

"(C) 11 employees at the rate of basic pay then currently in effect for level IV of the Executive Schedule of section 5315 of such title; and

"(D) 11 employees at the rate of basic pay then currently in effect for level V of the Executive Schedule of section 5316 of such title.

The President is authorized to place, subject to the standards and procedures prescibed by chapter 51 of such title and in addition to the number of positions authorized in section 5108(a) of such title, a total of 35 postions in GS–16, GS–17, and GS–18 of the General Schedule of section 5332 of such title.

"(c) The President is authorized to procure for the White House Office and the Executive Residence at the White House temporary or intermittent services of experts and consultants, as described in and in accordance with the first two sentences of section 3109(b) of title 5, at respective daily rates of pay for individuals not more than the daily equivalent of the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of such title.

"(d) The President is authorized to procure goods and services for the maintenance, operation, improvement, and preservation of the Executive Residence at the White House.

"(e) There are authorized to be appropriated each fiscal year to the President—

"(1) such sums as may be necessary to pay official reception, entertainment, and representation expenses, to be expended at the discretion of the President, except that the Comptroller General shall be furnished information requested by him relating to the expenditure of such funds and access to all necessary books, documents, papers, and records relating to any such expenditure, in order that he may determine whether the expenditure was for payment of official reception, entertainment, and representation expenses; and

"(2) such sums as may be necessary for allocation within the Executive Office of the President for official reception and representation expenses.

"(f) In order to enable the Vice President to provide assistance to the President in connection with the performance of functions specially assigned to the Vice President by the President in the discharge of executive duties and responsibilities, the Vice President is authorized to—

"(1) procure temporary or intermittent services of experts and consultants, as described in and in accordance with the first two sentences of section 3109(b) of title 5, at respective daily rates of pay for individuals not more than the daily equivalent of the maximum rate of basic pay then currently paid under the General Schedule of section 5332 of such title;

"(2) appoint employees without regard to the provisions of such title governing appointments in the competitive service, except that he may appoint not more than—

"(A) 1 employee at the rate of basic pay then currently in effect for level II of the Executive Schedule of section 5313 of such title;

"(B) 3 employees at the rate of basic pay then currently in effect for level III of the Executive Schedule of section 5314 of such title; and

"(C) a combined total of 3 employees at the respective rates of basic pay then currently in effect for levels IV and V of the Executive Schedule of sections 5315 and 5316 of such title; and

"(3) place, subject to the standards and procedures prescribed by chapter 51 of such title and in addition to the number of positions authorized in section 5108(a) of such title, a total of 7 positions in GS–16, GS–17, and GS–18 of the General Schedule of section 5332 of such title.

"(g) Notwithstanding any provision of law, other than the provisions of this chapter, no employee in the White House Office or in the Executive residence at the White House, nor any employee under the Vice President appointed under subsection (f), may be paid a rate of basic pay in excess of the maximum rate of basic pay then currently paid for GS–15 of the General Schedule of section 5332 of title 5."

(b) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by deleting—

"105. Compensation of secretaries and executive, administrative, and staff assistants to President."

and inserting in place thereof—

"105. Assistance and services for President and Vice President.".

SEC. 2. (a) Section 106 of title 3, United States Code, is amended to read as follows:

"§ 106. Unanticipated personnel needs

"(a) There is authorized to be appropriated to the President an amount not to exceed $500,000 each fiscal year to enable the President to appoint employees to meet unanticipated personnel needs and to pay administrative expenses incurred with respect thereto.

"(b) Positions to which appointments are made under subsection (a) shall be subject to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, except that any positions placed in GS–16, GS–17, and GS–18 of the General Schedule of section 5332 of such title shall be in addition to the number of positions authorized in section 5108(a) of such title.

"(c) The President shall transmit to each House of the Congress reports with respect to expenditures under this section. Each such report shall be transmitted not later than 60 days after the close of each fiscal year and shall contain a detailed statement of such expenditures during such fiscal year, including—

"(1) the name of every employee paid under this section;

"(2) the amount of appropriated moneys paid to each such employee;

"(3) a general title and general job description for each such employee; and

"(4) a detailed explanation of the purposes for the appointment of employees paid under the authority of this section."

(b) The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by deleting—

"106. Administrative assistants."

and inserting in place thereof—

"106. Unanticipated personnel needs.".

SEC. 3. Section 103 of title 3, United States Code, relating to travel expenses of the President, is amended by deleting "$40,000" and inserting in place thereof "$100,000" and by deleting "and accounted for on his certificate solely" and inserting in place thereof a comma and the following: "except that the Comptroller General shall be furnished information requested by him relating to the expenditure of such sums and access to all necessary books, documents, papers, and records relating to any such expenditure, in order that he may determine whether the expenditure was for payment of traveling expenses of the President of the United States".

SEC. 4. (a) Section 102 of title 3, United States Code, is amended by deleting "Executive Mansion" and inserting in place thereof "Executive Residence at the White House".

(b)(1) Section 109 of such title 3 is amended—

(A) by deleting from the section caption "Executive Mansion" and inserting in place thereof "Executive Residence at the White House"; and

(B) by deleting from the text "Executive Mansion" wherever it appears and inserting in place thereof "Executive Residence at the White House" each time.

(2) Item 109 in the table of sections at the beginning of chapter 2 of such title 3 is amended by deleting "Executive Mansion" and inserting in place thereof "Executive Residence of the White House".

(c)(1) Section 110 of such title 3 is amended—

(A) by inserting in the section caption, immediately before "White House", the following: "Executive Residence at the";

(B) by inserting in the first sentence immediately after "President's", the following: "Executive Residence at the White"; and

(C) by inserting immediately before "White House" wherever it appears "Executive Residence at the" each time.

(2) Item 110 in the table of sections at the beginning of chapter 2 of such title 3 is amended by inserting, immediately before "White House", the following: "Executive Residence at the ".

(d) Section 202 of such title 3 is amended by deleting "Executive Mansion" and inserting in place thereof "White House".

SEC. 5. Section 107 of title 3, United States Code, is amended to read as follows:

"§ 107. Detail of employees of executive departments to office of President

"At the request of the President, the head of any department, agency, or independent establishment of the executive branch of the Government shall detail, from time to time, employees of such department, agency, or establishment to serve in the White House Office. The President shall advise the Congress of the names and general duties of all such employees so detailed to the White House Office. An employee may not be so detailed for full-time duty on a continuing basis for any period of more than one year. The White House Office shall reimburse each such department, agency, or establishment, for the pay of each employee thereof so detailed for full-time duty on a continuing basis, for any period of such detail occurring

after the close of the sixth month following the date on which such detail first becomes effective.".

SEC. 6. (a) Chapter 2 of title 3, United States Code, is amended by adding at the end thereof the following new section:

"§ 112. Statement of expenditures for employees

"The President shall transmit to each House of the Congress reports with respect to expenditures for employees performing duties in the White House Office and the Executive Residence at the White House. Each such report shall be transmitted no later than 60 days after the end of each fiscal year and shall contain a detailed statement of such expenditures during such fiscal year, including—

"(1) the name of every employee in the White House Office and the Executive Residence at the White House;

"(2) the amount of appropriated moneys paid to each such employee;

"(3) a general title and general job description for each such employee;

"(4) the amounts of any reimbursements made to each department, agency, or establishment for employees detailed to the White House Office under section 107 of this title; and

"(5) the name and general duties of each employee so detailed and the department, agency, or establishment from which the employee was detailed.

(b) The table of sections for chapter 2 of such title 3 is amended by adding at the end thereof the following new item: "112. Statement of expenditures for employees.".

(c) The amendments made by the provisions of this section shall apply with respect to fiscal years beginning after June 30, 1974.

SEC. 7. Notwithstanding the provisions of section 105 of title 3, United States Code, as amended by the first section of this Act, if an employee in the White House Office or the Executive Residence at the White House is receiving basic pay immediately before January 1, 1976, at a rate different than the rate authorized under such section 105, then, effective on January 1, 1976, he may continue to receive basic pay at the different rate so long as he continues to perform the duties of the position he occupied immediately prior to January 1, 1976.

SEC. 8. Effective October 1, 1978—

(1) sections 105, 106, and 107 of title 3, United States Code, as in effect immediately prior to such date, are repealed; and

(2) items 105, 106, and 107 in the table of sections of chapter 2 such title 3 are repealed.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the House bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the title of the House bill, insert the following: "An Act to clarify existing authority for employment of personnel in the White House Office and in the Executive Residence at the White House, to clarify existing authority for employment of personnel by the President tc meet unanticipated personnel needs, and for other purposes."

And the Senate agree to the same.

THADDEUS J. DULSKI,
DAVID N. HENDERSON,
MORRIS K. UDALL,
H. R. GROSS,
EDWARD J. DERWINSKI,
Managers on the Part of the House.
GALE W. MCGEE,
JENNINGS RANDOLPH,
TED STEVENS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14715) to clarify existing authority for employment of White House Office and Executive Residence personnel, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

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

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

AUTHORIZATION FOR APPOINTMENT OF EMPLOYEES OF WHITE HOUSE OFFICE AND EXECUTIVE RESIDENCE

House bill

The first section of the House bill amended section 105 of title 3, United States Code, to authorize Presidential appointment of such employees in the White House Office and the Executive Residence as the Congress may appropriate for each year. However, the number of such appointments may not exceed—

(1) 5 employees at the rate for level II of the Executive Schedule,

(2) 5 employees at the rate for level III of the Executive Schedule,

(3) 10 employees at the rate for level IV of the Executive Schedule,

(4) 15 employees at the rate for level V of the Executive Schedule, and

(5) 30 employees at the rates for GS–16, GS–17, and GS–18 of the General Schedule of section 5332 of title 5. By setting forth specific rates of pay and by omitting a waiver of the application of the classification and General Schedule provisions of title 5, the House bill denied authority under section 105 for appointment of employees in ungraded positions.

Senate amendment

The first section of the Senate amendment amended section 105 of title 3 to provide authorization for the President to appoint as employees in the White House Office and Executive Residence at the White House not more than—

(1) 15 employees at rates not to exceed the rate for level II of the Executive Schedule,

(2) 25 employees at rates not to exceed the rate for level III of the Executive Schedule, and

(3) 35 employees at rates not to exceed the rate for GS–18 of the General Schedule.

The Senate amendment would have continued the "ungraded position system" by not requiring rates of pay to be fixed at specific levels of the Executive Schedule for positions above GS–18 and by waiving the classification and General Schedule pay provisions of title 5 for the 35 positions at or below the GS–18 rate.

Conference substitute

The conferees agreed to provide the President, effective January 20, 1977, with—

(1) 8 positions at level II,

(2) 10 positions at level III,

(3) 11 positions at level IV,

(4) 11 positions at level V, and

(5) 35 positions in GS–16, GS–17, and GS–18.

The conference substitute clarifies that the 35 positions in GS–16, GS–17, and GS–18 will be subject to the standards and procedures prescribed by chapter 51 of title 5, relating to the classification of positions, and shall be in addition to the maximum number of positions authorized by section 5108(a) of title 5.

Since 14 positions are presently authorized for level II and other positions are authorized at rates of pay not tied to the Executive Schedule or the General Schedule, the conference substitute provides—

(1) for the period from date of enactment through December 31, 1975, that 14 employees could be continued to be paid at level II and 21 positions could remain ungraded at not to exceed the rate for level III; and

(2) for the period from January 1, 1971 through January 19, 1977, for—

(A) 12 positions at level II,

(B) 10 positions at level III,

(C) 9 positions at level IV, and

(D) 9 positions at level V.

The conference substitute also contains a provision, incorporated as subsection (g) of section 105, to make clear that chapter 2 of title 3, as amended by the conference substitute, supersedes any authority for the appointment of employees in the White House Office or the Executive Residence at the White House at rates, or to positions paid at rates, in excess of the maximum rates for GS–15 which may be contained in any other provision of law. This new subsection (g) also applies to the authority of the Vice President to appoint employees under subsection (f).

MAINTENANCE AND OPERATION OF EXECUTIVE RESIDENCE

House bill

The first section of the House bill amended section 105 of title 3 to provide authorization to the President to procure such goods and services "as he considers necessary" for the maintenance, operation, improvement, and preservation of the Executive Residence at the White House. Under the House bill, such procurement was expressly made subject to the Federal Property and Administrative Services Act of 1949.

Senate amendment

The first section of the Senate amendment authorized the President to procure goods and services necessary for the same purposes as was provided in the House bill. The Senate amendment did not expressly make such procurement subject to the Federal Property and Administrative Services Act of 1949, but did specifically omit the phrase "as he considers necessary" and, as the Senate committee report stated, the omission of such phrase conveyed the intention that such procurement would be subject to the provisions of such Act.

Conference substitute

The conference substitute is the same as the Senate amendment.

The Federal Property and Administrative Services Act of 1949 specifically applies to all executive departments and independent establishments in the executive branch. The conferees, in accepting the Senate amendment, intend that procurement under this provision will be in accordance with such Act.

AUTHORIZATION FOR APPOINTMENT OF STAFF FOR VICE PRESIDENT

House bill

The House bill amended section 105 to provide, for purposes of enabling the Vice President to assist the President in carrying

out official executive duties and responsibilities, authorization for the Vice President to appoint employees including not more than—

(1) 1 employee at the rate for level II of the Executive Schedule,

(2) 3 employees at the rate for level III of the Executive Schedule,

(3) a total of 3 employees at rate for level IV or V of the Executive Schedule, and

(4) 7 employees at the rates for GS–16, GS–17, and GS–18 of the General Schedule.

By setting forth specific rates of pay and by omitting a waiver of the application of the classification and General Schedule provisions of title 5, the House bill denied authority under section 105 for appointment of employees in ungraded positions.

Senate amendment

The Senate amendment amended section 105 to provide, for the same purposes expressed in the House bill, authorization for the Vice President to appoint and fix the pay of not more than—

(1) 1 employee at a rate not to exceed the rate for level II of the Executive Schedule,

(2) 6 employees at rates not to exceed the rate for level III of the Executive Schedule, and

(3) 7 employees at rates not to exceed the rate for GS–18 of the General Schedule.

The Senate amendment allowed the "ungraded position system" by not requiring rates of pay to be fixed at specific levels of the Executive Schedule for the positions above GS–18 and by waiving the classification and General Schedule pay provisions of title 5 for the 7 positions at or below the GS–18 rate.

Conference substitute

The conference substitute provides that the number of appointments under section 105 may not exceed—

(1) 1 employee at the rate for level II of the Executive Schedule,

(2) 3 employees at the rate for level III of the Executive Schedule,

(3) 3 employees at rates for levels IV and V of the Executive Schedule, and

(4) 7 employees in positions in GS–16, GS–17, and GS–18 of the General Schedule.

The conference substitute clarifies that the 7 positions in GS–16, GS–17, and GS–18, referred to above, will be subject to the standards and procedures prescribed by chapter 51 of title 5, relating to the classification of positions, and shall be in addition to the maximum number of positions authorized by section 5108(a) of title 5.

Conference substitute

The conferees agreed to establish a fund for unanticipated personnel needs, subject to the following limitations:

(1) The amount authorized is limited to $500,000 for each fiscal year.

(2) Positions to which appointments are made under section 106 will be subject to the classification and General Schedule provisions of title 5, and positions placed in GS–16, GS–17, and GS–18 of the General Schedule will be in addition to the number authorized in section 5108(a) of title 5.

(3) A report is required to be sent to the Congress setting forth the name, duties, and pay of each employee paid under section 106, together with a detailed explanation of the purpose of such appointment.

ANNUAL STATEMENT OF EXPENDITURES FOR EMPLOYEES

House bill

Section 5 of the House bill amended title 3 by adding a new section 112 which requires that annual reports be transmitted to the Congress setting forth the names, duties, and pay of employees in the White House Office and the Executive Residence. The House bill requires that each annual report transmitted to the Congress shall be made available to the public.

Senate amendment

Section 6 of the Senate amendment added a new section 112 similar to the provisions in the House bill, except that the Senate amendment required each annual statement to specify the names and duties of employees detailed to the White House Office, and the agency from which detailed. Also, the Senate amendment did not require that the annual reports be made available to the public.

Conference substitute

The conference substitute is the same as the Senate amendment.

ACCESS TO FEDERAL TAX RETURNS

House bill

No provision.

Senate amendment

Section 6 of the Senate amendment added a new section 113 to title 3 to provide that no Federal tax return shall be made available for inspection by, nor shall any copy be furnished to, any officer or employee of the executive branch, other than the President (upon his written request), or any officer or employee of the Department of the Treasury or the Department of Justice who is concerned with the filing and audit of such return, the payment, collection, or recovery of the tax for which such return was made, or any offense arising out of that return.

Conference substitute

This provision of the Senate amendment is omitted from the conference substitute.

The position of the House conferees was that this amendment was not germane to the bill and would be subject to a point of order in the House of Representatives. Further, a letter to the House conferees from Representative Wilbur D. Mills, Chairman of the House Ways and Means Committee, and Representative Herman T. Schneebeli, ranking minority member, expressed their deepest concern with the possible abuse of Federal tax returns. However, the letter also advised that the Ways and Means Committee was studying this matter and that the Department of the Treasury recommendations would be forthcoming very shortly. In view of the Committee's work, the letter recommended deletion of the amendment from H.R. 14715.

Because of the very strong feeling on the part of the House conferees against including the amendment in the conference substitute, the parliamentary problem, the concern of the Ways and Means Committee, and the Treasury Department study, the Senate conferees receded to the House.

PAY SAVINGS

House bill

The House bill provided that employees of the White House Office who, on the date of enactment, are being paid at the rate for level II of the Executive Schedule shall continue to receive basic pay at the rate for level II so long as they continue to perform the duties of the positions they occupied on such date.

Senate amendment

The Senate amendment had no comparable provision since the Senate amendment did not reduce the number of employees paid at the rate for level II of the Executive Schedule.

Conference substitute

The conference substitute provides that any employee of the White House Office or of the Executive Residence at the White House receiving before January 1, 1976, a rate of basic pay which is different than the rate authorized under section 105 effective for the period beginning January 1, 1976, may continue to receive pay at that different rate for as long as he continues to perform the duties of the position he occupied immediately before January 1, 1976. The pay savings authority under this section is permissive and does not preclude the President from appointing any such employee at one of the positions paid at the rates authorized under section 105, effective January 1, 1976, subject to the numerical limitations specified thereunder.

REPEAL

House bill

No provision.

Senate amendment

Section 7 of the Senate amendment provided, effective July 1, 1978, that sections 105, 106, and 107 are repealed.

Conference substitute

The conference substitute is the same as the Senate amendment, except that the effective date of the repeal is made to conform to the change in the fiscal year resulting from the enactment on July 12, 1974, of the Congressional Budget and Impoundment Act of 1974.

THADDEUS J. DULSKI,
DAVID N. HENDERSON,
MORRIS K. UDALL,
H. R. GROSS,
EDWARD J. DERWINSKI,
Managers on the Part of the House.

GALE W. MCGEE,
JENNINGS RANDOLPH,
TED STEVENS,
Managers on the Part of the Senate.

APPOINTMENT OF CONFEREES ON S. 425, TO PROVIDE COOPERATION BETWEEN SECRETARY OF THE INTERIOR AND THE STATES AS TO REGULATION OF SURFACE MINING OPERATIONS

Mr. HALEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, S. 425, To provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, with the House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Florida? The Chair hears none, and appoints the following conferees: Mr. UDALL, Mrs. MINK, Messrs. VIGORITO, MELCHER, RONCALIO of Wyoming, SEIBERLING, STEIGER of Arizona, RUPPE, CAMP, and KETCHUM.

U.S. INFORMATION AGENCY APPROPRIATIONS AUTHORIZATION ACT OF 1974

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1280 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1280

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15046) to authorize appropriations for the United States Information Agency, and for other purposes. After general debate, which

shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from California (Mr. DEL CLAWSON). Pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1280 provides for an open rule with 1 hour of general debate on H.R. 15046, the U.S. Information Agency Authorization Act of 1975.

H.R. 15406 makes a total authorization for the USIA of $243,738,000, an increase of $28,424,000 over the 1974 appropriation. Of this total, $228,368,000 is allocated for salaries and expenses, $6,770,000 for special international exhibitions; $4,400,000 for the acquisition and construction of radio facilities; and $4,200,000 for employee benefits.

During the next fiscal year, the USIA proposes to operate 190 posts in 109 countries. Among the cultural and information activities to be conducted are press, radio, TV, motion pictures, publications, information centers, libraries, lectures and seminars, book publication and presentations, and support for the Department of State's educational and cultural exchange programs.

Mr. Speaker, I urge the adoption of House Resolution 1280 in order that we may discuss, debate and pass H.R. 15046.

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

Mr. Speaker, as previously explained, House Resolution 1280 provides for the consideration of H.R. 15046, the USIA authorization, under an open rule with 1 hour of general debate.

The purpose of H.R. 15046 is to authorize funds for the U.S. Information Agency for fiscal year 1975.

This bill authorizes $243,738,000. By way of comparison, the fiscal year 1974 appropriation was $215,314,000. The Executive request for fiscal year 1975 was $246,838,000.

The administration supports this bill. Mr. Speaker, I support this rule in order that the House may proceed to consider H.R. 15046.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HAYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15046) to authorize appropriations for the United States Information Agency, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15046, with Mr. ROONEY of Pennsylvania in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN (Mr. ROONEY of Pennsylvania). Under the rule the gentleman from Ohio (Mr. HAYS), will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. FRELINGHUYSEN), will be recognized for 30 minutes.

The CHAIR recognizes the gentleman from Ohio.

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

Mr. Chairman, H.R. 15046 is the annual authorization bill for the U.S. Information Agency. My subcommittee for the past 3 years has given careful examination to USIA. While we generally subscribe to the importance of an information program, a number of us have reservations about the most effective and efficient method of carrying on such a program.

The subcommittee heard not only from the Director of USIA but also from each of the heads of the regional bureaus. In all we have 142 pages of testimony that extended over 4 days. I think we did a fair job in legislative oversight.

The largest single item in the bill is for salaries and expenses for which we recommend $228,368,000. This is a reduction of $3.1 million. That is the sum we authorized in a separate piece of legislation as the dollar cost for U.S. participation in the International Ocean Exposition that will be held in Okinawa, Japan, next year. USIA is running our exhibit and we thought it could be funded without adding any further money to the USIA budget.

I should note that we did not allow any funds for the relocation of the Voice of America radio facilities on Okinawa. Under the terms of the reversion agreement with Japan VOA is to be out of Okinawa by 1977. The problem is to find an alternative site. The Agency has been toying with relocating the facilities in South Korea. But the recent history of that country makes us most uneasy about that country as the new site. I still think that with a bit of effort and ingenuity a place can be found on some U.S. trust territory or possession in the Pacific.

We rejected the perennial request of the Agency for an open-ended authorization for employee salary increases. We made it submit a specific figure which is $4.2 million.

For special international exhibits we have recommended $6,770,000. This is for exhibits and displays principally in Eastern Europe. I should add that they have generally been very successful in acquainting the citizens behind the Iron Curtain with our society and its many accomplishments.

Finally there is $4.4 million for the improvement of radio facilities within the United States.

Mr. Chairman, this is a reasonable bill. I want to assure the House that so long as I am chairman of the subcommittee that has legislative oversight of USIA I will do everything I can to see that it receives no more than it can prudently use.

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

Mr. Chairman, the gentleman from Ohio, who serves as the chairman of the Subcommittee on the State Department Organization and Foreign Operations, has already outlined the major provisions of this bill.

I want to express my strong support for the bill, which authorizes funds for the U.S. Information Agency for the fiscal year 1975.

Extensive hearings were held in the Subcommittee on State Department Organization and Foreign Operations, and the full committee reported the bill by a vote of 24 to 2.

The committee recommendation of $243,738,000 is a reduction of $3.1 million. This amount was requested to fund U.S. participation in an International Ocean Exposition in Okinawa. Of the total amount, $228,368,000 is for salaries and expenses. The balance covers special international exhibitions, radio construction and employee benefits.

USIA is an effective arm of American diplomacy. As an instrument of our foreign policy the agency works to counter the distorted and frequently negative picture of the United States that sometimes exists in various parts of the world.

To carry out this task effectively, USIA must be competitive in its official informational and cultural activities. With the funds provided in this authorization bill, USIA plans to operate 190 posts in 109 countries. Its country missions conduct cultural and informational programs utilizing press, radio, TV, motion pictures, publications, information centers, libraries, and seminars. On its news, the Voice of America broadcasts to the world what is being done and said on major issues in the United States.

During the past year the Agency has carried out a reorganization to increase its effectiveness and reduce the size of its headquarters establishment. Also, last year USIA began an intensified effort to support the programs of the U.S. Government in the economic field, working closely with other Government agencies.

Mr. Chairman, it is understandable that the excellent programs of this agency are not well known because its efforts are directed abroad. But I would point out that recent administrations, both Democratic and Republican, have recognized the valuable contribution of USIA to our foreign policy and asked for the continuation of this program.

I urge approval of this bill.

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

Mr. FRELINGHUYSEN. I yield to the gentleman from New Mexico.

Mr. LUJAN. I have looked over the report. We keep talking about the reduction of $3.1 million, but the appropriation is for $243 million. The 1974 appropriation was $215 million. That seems like an increase of some $28 million. Are the duties of that agency that much more this year than they were last year?

Mr. FRELINGHUYSEN. I would say to the gentleman, if he takes a close look at the chart on page 2, this is a reduction from the Executive request this year. Admittedly the reduction takes place because the fund for the exposition at Okinawa has already been provided for in separate legislation.

There is an increase in the amount to be authorized over last year's appropriation. This is so in large measure because of the additional expense because of inflation, the salary increases and the radio transmitters that is being authorized in this bill.

I might say there is nothing out of line in the request. It has been thoroughly scrutinized. I agree with the gentleman that there is a modest increase over the amount that was made available last year, but I think we can be thankful that so much can be accomplished with the authorization we are requesting.

Mr. DERWINSKI. Mr. Chairman, I want to offer my support for this bill which would provide the authorization for the U.S. Information Agency in fiscal year 1975.

In this period of so-called détente, it is still important for U.S. worldwide interests to do what we can to clarify the misunderstandings that seem to abound as to life in these United States and the policy of our Government on various issues.

Imperfect though it may be, USIA can and does perform a valuable role as an arm of U.S. foreign policy in helping to develop a better understanding of the United States and its policies. We continue to need a U.S. Information Agency to perform that function.

This bill should be approved by the House.

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

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

The CHAIRMAN. The Clerk will read:

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "United States Information Agency Appropriations Authorization Act of 1974".

SEC. 2. (a) There are authorized to be appropriated for the United States Information Agency for fiscal year 1975, to carry out international informational activities and programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 8 of 1953, and other purposes authorized by law, the following amounts:

(1) $228,368,000 for "Salaries and Expenses" and "Salaries and Expenses (special foreign currency program)," except that so much of such amount as may be appropriated for "Salaries and Expenses (special foreign currency program)" may be appropriated without fiscal year limitation;

(2) $6,770,000 for "Special international exhibitions"; and

(3) $4,400,000 for "Acquisition and construction of radio facilities".

Amounts appropriated under paragraphs (2) and (3) of this subsection are authorized to remain available until expended.

(b) In addition to amounts authorized by subsection (a) of this section, there are authorized to be appropriated without fiscal year limitation for the United States Information Agency for the fiscal year 1975 not to exceed $4,200,000 for increases in salary, pay, retirement, or other employee benefits authorized by law.

SEC. 3. Section 1008 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1439) is amended to read as follows:

"REPORTS TO CONGRESS

"SEC. 1008. The Secretary shall submit to the Congress annual reports of expenditures made and activities carried on under authority of this Act, inclusive of appraisals and measurements, where feasible, as to the effectiveness of the several programs in each country where conducted.".

SEC. 4. Section 701 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1476) is amended by adding at the end thereof the following new subsection:

"(e) The provisions of this section shall not apply to, or affect in any manner, permanent appropriations, trust funds, and other similar accounts administered by the United States Information Agency as authorized by law.".

Mr. HAYS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

Mr. BUCHANAN. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I will not take time except to indicate my full support of this authorization and to say that I believe that at this point in history it is more important than ever before that we continue this funding.

We spend less money than many other nations for this purpose. I think it is important to our country and the world's understanding of our country. I urge its passage.

Mr. GROSS. Mr. Chairman, I move to strike the next to the last word.

Mr. Chairman, I shall take only a minute to state that this is another outpouring of $243,738,000 of our cash. In my opinion, it could well be dispensed with.

I am opposed to it until we get our own financial house in order in this country. I am opposed to this and all similar spending that is in the nature of foreign aid.

Should there not be a vote on this bill—and I hope there will be—I want the record to show that I am opposed to it in all its ramifications.

The CHAIRMAN. If there are no amendments to be proposed, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PRICE of Illinois) having assumed the chair, Mr. ROONEY of Pennsylvania, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15046) to authorize appropriations for the U.S. Information Agency, and for other purposes, pursuant to House Resolution 1280, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 352, nays 43, not voting 39, as follows:

[Roll No. 431]

YEAS—352

Abdnor	Burleson, Tex.	Edwards, Ala.
Abzug	Burton, John	Edwards, Calif.
Adams	Burton, Phillip	Eilberg
Addabbo	Butler	Erlenborn
Alexander	Byron	Esch
Anderson, Calif.	Carney, Ohio	Eshleman
	Casey, Tex.	Evans, Colo.
Anderson, Ill.	Cederberg	Fascell
Andrews, N.C.	Chamberlain	Findley
Andrews, N. Dak.	Chappell	Fish
	Clark	Flowers
Annunzio	Clausen, Don H.	Flynt
Arends		Foley
Armstrong	Clawson, Del	Ford
Ashbrook	Cleveland	Forsythe
Ashley	Cochran	Fountain
Aspin	Cohen	Fraser
Badillo	Collier	Frelinghuysen
Baker	Collins, Ill.	Frenzel
Barrett	Conable	Frey
Bell	Conte	Froehlich
Bennett	Corman	Fuqua
Bergland	Cotter	Gettys
Bevill	Coughlin	Giaimo
Biaggi	Cronin	Gibbons
Biester	Daniel, Dan	Gilman
Bingham	Daniel, Robert W., Jr.	Ginn
Blackburn		Goldwater
Boggs	Daniels, Dominick V.	Gonzalez
Boland		Goodling
Bolling	Danielson	Grasso
Bowen	Davis, S.C.	Gray
Brademas	Davis, Wis.	Green, Pa.
Bray	Delaney	Grover
Breaux	Dellenback	Gubser
Breckinridge	Dellums	Gude
Brinkley	Denholm	Guyer
Brooks	Dent	Haley
Broomfield	Derwinski	Hamilton
Brotzman	Devine	Hammer-schmidt
Brown, Mich.	Dickinson	
Brown, Ohio	Dingell	Hanley
Broyhill, N.C.	Donohue	Hanrahan
Broyhill, Va.	Dorn	Harsha
Buchanan	Downing	Hawkins
Burgener	Drinan	Hays
Burke, Calif.	Dulski	Hébert
Burke, Fla.	du Pont	Heckler, Mass.
Burke, Mass.	Eckhardt	Heinz

Helstoski	Mollohan	Sikes
Henderson	Montgomery	Sisk
Hicks	Moorhead, Calif.	Smith, Iowa
Hillis		Smith, N.Y.
Hinshaw	Moorhead, Pa.	Snyder
Hogan	Morgan	Spence
Holt	Mosher	Staggers
Holtzman	Moss	Stanton, J. William
Horton	Murphy, Ill.	
Hosmer	Murphy, N.Y.	Stanton, James V.
Howard	Myers	
Huber	Natcher	Steed
Hudnut	Nedzi	Steele
Hungate	Nelsen	Steelman
Hunt	Nichols	Steiger, Wis.
Hutchinson	Nix	Stephens
Johnson, Calif.	Obey	Stokes
Johnson, Colo.	O'Brien	Stratton
Johnson, Pa.	O'Hara	Stubblefield
Jones, N.C.	O'Neill	Stuckey
Jordan	Parris	Sullivan
Karth	Patman	Talcott
Kazen	Patten	Taylor, N.C.
Kemp	Pepper	Thompson, N.J.
Ketchum	Perkins	Thomson, Wis.
King	Pettis	Thone
Kluczynski	Peyser	Thornton
Koch	Pickle	Tiernan
Kyros	Pike	Treen
Lagomarsino	Poage	Udall
Latta	Powell, Ohio	Ullman
Leggett	Preyer	Van Deerlin
Lent	Price, Ill.	Vander Jagt
Litton	Price, Tex.	Vander Veen
Long, La.	Pritchard	Vanik
Long, Md.	Quie	Veysey
Lujan	Railsback	Vigorito
Luken	Rangel	Waggonner
McClory	Rees	Waldie
McCloskey	Regula	Walsh
McCollister	Reuss	Wampler
McCormack	Rhodes	Ware
McDade	Riegle	Whalen
McEwen	Rinaldo	White
McFall	Roberts	Whitehurst
McKay	Robinson, Va.	Whitten
McKinney	Robison, N.Y.	Widnall
Macdonald	Rodino	Wiggins
Madden	Roe	Williams
Madigan	Rogers	Wilson, Bob
Mahon	Roncalio, Wyo.	Wilson, Charles H., Calif.
Mallary	Roncallo, N.Y.	
Mann	Rooney, Pa.	
Martin, Nebr.	Rose	Wilson, Charles, Tex.
Martin, N.C.	Rosenthal	
Mathias, Calif.	Rostenkowski	Winn
Matsunaga	Roush	Wolff
Mayne	Rousselot	Wright
Mazzoli	Roybal	Wyatt
Meeds	Ruppe	Wydler
Melcher	Ruth	Wylie
Metcalfe	Ryan	Wyman
Mezvinsky	St Germain	Yates
Michel	Sandman	Yatron
Milford	Sarasin	Young, Alaska
Mills	Sarbanes	Young, Ill.
Minish	Satterfield	Young, S.C.
Mink	Scherle	Young, Tex.
Minshall, Ohio	Sebelius	Zablocki
Mitchell, Md.	Seiberling	Zion
Mitchell, N.Y.	Shipley	Zwach
Mizell	Shoup	
Moakley	Shriver	

NAYS—43

Archer	Gross	Roy
Bafalis	Harrington	Runnels
Bauman	Hechler, W. Va.	Schroeder
Beard	Ichord	Shuster
Brown, Calif.	Jarman	Skubitz
Burlison, Mo.	Jones, Okla.	Stark
Camp	Kastenmeier	Steiger, Ariz.
Clancy	Landgrebe	Studds
Collins, Tex.	Lehman	Symms
Conlan	Maraziti	Taylor, Mo.
Conyers	Mathis, Ga.	Towell, Nev.
Crane	Miller	Young, Fla.
Dennis	Murtha	Young, Ga.
Duncan	Randall	
Gaydos	Rarick	

NOT VOTING—39

Blatnik	Fulton	Lott
Brasco	Green, Oreg.	McSpadden
Carey, N.Y.	Griffiths	Owens
Carter	Gunter	Passman
Chisholm	Hanna	Podell
Clay	Hansen, Idaho	Quillen
Culver	Hansen, Wash.	Reid
Davis, Ga.	Hastings	Rooney, N.Y.
de la Garza	Holifield	Schneebeli
Diggs	Jones, Ala.	Slack
Evins, Tenn.	Jones, Tenn.	Symington
Fisher	Kuykendall	Teague
Flood	Landrum	Traxler

So the bill was passed.

The Clerk announced the following pairs:

Mr. Flood with Mr. Culver.
Mr. Rooney of New York with Mr. Fisher.
Mr. de la Garza with Mrs. Green of Oregon.
Mr. Diggs with Mrs. Griffiths.
Mr. Carey of New York with Mr. Gunter.
Mr. Evins of Tennessee with Mr. Hanna.
Mr. Podell with Mrs. Hansen of Washington.
Mr. Fulton with Mr. Holifield.
Mr. Davis of Georgia with Mr. Landrum.
Mr. Jones of Alabama with Mr. Kuykendall.
Mr. McSpadden with Mr. Passman.
Mr. Jones of Tennessee with Mr. Carter.
Mr. Reid with Mr. Quillen.
Mr. Symington with Mr. Hastings.
Mr. Slack with Mr. Lott.
Mr. Teague with Mr. Schneebeli.
Mrs. Chisholm with Mr. Blatnik.
Mr. Clay with Mr. Brasco.
Mr. Owens with Mr. Traxler.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAYS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on H.R. 15046, the bill just passed.

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

There was no objection.

CONFERENCE REPORT ON H.R. 15074, DISTRICT OF COLUMBIA CAMPAIGN FINANCE REFORM AND CONFLICT OF INTEREST ACT

Mr. FRASER. Mr. Speaker, I call up the conference report on the bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 25, 1974.)

Mr. FRASER (during the reading). Mr. Speaker, due to the fact that the conference report has been printed for the Members, and also printed in the CONGRESSIONAL RECORD of Thursday, July 25, 1974, I ask unanimous consent that further reading of the statement be dispensed with.

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Speaker, I will indicate what some of the changes are in the conference report. One of the differences consisted of the amounts of money an individual may contribute to the various candidates for office: Mayor, Chairman of the City Council, councilmen, and so on. We had to reconcile the differences between the House and Senate version, and the result was that the limitation for Mayor is $1,000; for Chairman of the City Council, $750; for councilman at large, $500; official of a political party, $100; with an additional $100 permitted in the case of a runoff.

One other change, perhaps of more importance, is that in the House bill we prohibited contributions from corporations and from union treasuries. The Senate bill permitted this. We reconciled the differences by permitting a limited amount of contribution by both corporations and union treasuries, but it is strictly limited in an amount per candidate. It is the same limitation as applies to any other organizational contribution to the same candidates for the same offices.

I might add that one of the reasons that the House agreed to this is that this campaign is already under way.

At present there are no restrictions applicable to corporate contributions, but after January 2 this matter will rest in the City Council, and they may make further changes in the matter if they think it desirable.

We also dealt with the maximum expenditure question. The House had provided a total of $200,000 in the campaign for Mayor. The other body had a lesser amount. They acceded to our amount with the provision that up to 60 percent of the total could be spent in one election. For example, 60 percent could be spent in the primary, leaving 40 percent to be spent in the general election.

These are some of the principal changes that were made. None of the differences were of great significance. I think perhaps the most important one was this matter of permitting corporations and labor unions to contribute.

I include at this point a section-by-section analysis of the bill as approved by the conference committee:

SECTION-BY-SECTION ANALYSIS

Section 101—The title of the Act is "District of Columbia Campaign Finance Reform and Conflict of Interest Act".

DEFINITIONS

Section 102(a)—"Election" means any of the elections in the District of Columbia for nominating or electing candidates to office as the word "office" is later defined. This includes primary and general elections, special elections under the D.C. Code, and runoff elections, which occur in School Board elections, for example.

The term is also defined to include a convention or caucus of a political party held for the purpose of nominating a candidate but there are no such procedures in the District at the present time. The language comes from the Federal Election Campaign Act of 1971. Some states nominate by caucus or convention.

Section 102(b)—"Candidate" means an individual seeking nomination or election to office. The person is considered a candidate when he has authorized any person to obtain nominating petitions, has given his consent to receive contributions or make expenditures, knows that another person is receiving contributions or making expenditures with a view to bringing about his nomination or election, and has not notified that

person in writing to cease receiving contributions or making expenditures for that purpose. This definition is not intended to make a person a candidate for the purposes of any other Federal law.

Section 102 (c) and (d)—"Office" and "official of a political party" are the definitions that state the coverage of the bill to the election of local office holders in the District of Columbia. These offices include—

Mayor.

Chairman or Member of the Council.

Member of the Board of Education.

National Committeeman and National Committeewoman of a political party.

Delegates to Nominating Conventions for President of the United States.

Members and Officials of Local Committees of Political Parties.

Under the D.C. Code, all of these positions are filled at public elections conducted by the District at the regular polling places, using regular ballot boxes.

This bill does not extend to elections for the Delegate to the House of Representatives from the District of Columbia or to elections for President or Vice President, all of which also use official District election machinery.

Title IV sets finance limitations for candidates for advisory neighborhood councils.

Section 102(e)—"Political committee" means any committee or group that is engaged in promoting or opposing a political party or the nomination or election of an individual to office. This would include groups administering a separate segregated fund as described in Section 610 of Title 18, U.S. Code, such as the Committee on Political Education of a Labor Union, or a political fund of a business or professional group. In the definition of "contribution," communications by issue-oriented organizations are excluded.

Section 102(f)—"Contribution" is patterned after the definition of "contribution" in the Federal Election Campaign Act in 1971 but includes several additional features. The definition covers gifts of money or anything of value, including such things as membership dues and loans for the purposes of financing the election campaign of a candidate or the operations of a political committee. Promises to make a contribution, whether or not legally enforceable, are included. Transfers of funds between political committees, and paying for and providing the personal services of another person are included. The services of a volunteer are not included.

Additional features in H.R. 15074 include as contributions the furnishing of goods, advertising, or services for a candidate's campaign without charge or at a rate which is less than the rate normally charged for such services.

Additional exclusions from the term "contribution" are the communications by an organization other than a political party solely to its members and their families on any subject. This language is similar to the exemption given to corporations and labor unions in Section 610 of Title 18 of the U.S. Code.

Additional exclusions from the definition "contribution" are communications (including advertisements) to any person on any subject by any organization which is organized solely as an issue-oriented organization, which communications neither endorse nor oppose any candidate for office, and also normal billing credit for a period not exceeding 30 days.

Section 102(g)—"Expenditure" is patterned after the definition of expenditure in the Federal Election Campaign Act of 1971 but has an exception for the "incidental expenses made by or on behalf of individuals in the course of volunteering their time on behalf of a candidate or political committee." The basic definition includes a purchase payment, loan, etc. made for the purpose of financing a campaign or a political committee, a promise to make an expenditure—whether or not legally enforceable and a transfer of funds between political committees.

Section 102(h)—"Person" is given the regular legal definition of person to include not only an individual but also partnerships, corporations, and other groups listed.

Section 102(i) and (k)—These subdivisions refer to the Director of Campaign Finance and to the District of Columbia Board of Elections and Ethics.

Section 102(j)—"Political party" refers to those parties which have qualified to have the names of their nominees appear on an election ballot in the District of Columbia.

TITLE II FINANCIAL DISCLOSURES

This title establishes the action required by a candidate and a political committee under the bill. They must submit detailed information to the Director of Campaign Finance in a statement of organization (which constitutes registration of the candidate or committee), keep detailed records of the contributions and the names and addresses of persons from whom contributions have been received or to whom expenditures have been made, designate and report to the Director one national bank located in the District of Columbia as a campaign depository, keep a checking account of that depository into which all contributions are deposited and from which all expenditures are made, including expenditures into a petty cash fund, and keep records of petty cash receipts and disbursements. Each candidate must appoint one political committee as the principal campaign committee of the candidate.

Section 201(a)—Each political committee must have a chairman and a treasurer who must authorize all expenditures. No financial transactions may be made while there is a vacancy in the office of treasurer and no person designated to fill that role.

Section 201(b)—Within five (5) days every person must turn over to the treasurer any contribution of $10 or more along with the name, address, and identification of the person making the contribution. Co-mingling of personal and committee funds is prohibited.

Section 201(c)—The records of a candidate or treasurer of a political committee must include all contributions and expenditures and the full name, mailing address, occupation, principal place of business, and date for each contribution or expenditure.

Section 201(d)—Receipted bills and records must be preserved.

Section 201(e)—On the face of all literature and advertisements soliciting funds must appear the words "A copy of our report is filed with the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics."

PRINCIPAL CAMPAIGN COMMITTEE

Section 202—A candidate must designate a principal campaign committee which receives reports by other committees involved in his campaign, consolidates them, and furnishes the reports to the Director, along with reports of the principal campaign committee.

A political committee may serve as principal campaign committee for no more than one candidate. An exception to that rule applies to elections of officials of the political party. These officials usually run on slates grouped together on the ballot.

DESIGNATION OF CAMPAIGN DEPOSITORY

Section 203(a)—A committee and a candidate must designate one national bank located in the District of Columbia as a campaign depository. A checking account at that depository must receive all contributions and be used for making all expenditures, including expenditures into a petty cash fund.

PETTY CASH FUND

Section 203(b)—A political committee or candidate may maintain a petty cash fund for expenditures up to $50 per transaction. Records shall be kept and reports furnished to the Director. Payments into the petty cash fund must be made by check drawn on the checking account at the campaign depository.

REGISTRATION OF POLITICAL COMMITTEE

Section 204(a)—Within ten (10) days after organizing, a committee must file a statement of organization with the Director.

Section 204(b)—The statement of organization must include detailed information about the officers, jurisdiction, and candidates supported by the committee.

The expected disposition of residual funds in event of dissolution must be explained. The title and number of each account and safety deposit box the committee has at the depository and the persons authorized to make withdrawals must be listed.

Section 204(c)—A committee has ten (10) days in which to report to the Director changes in the statement of organization.

Section 204(d)—Disbanding a political committee must be reported to the Director.

REGISTRATION OF CANDIDATES

Section 205—Within five (5) days of becoming a candidate, an individual must file registration statements with the Director. Information on accounts and safety deposit boxes must be given to the Director.

REPORTS TO BE FILED WITH THE DIRECTOR

Detailed reports of receipts and expenditures must be filed by political committees and candidates on the following days:

Twenty-one (21) days after the date of enactment of this Act.

In each election year: March 10, June 10, August 10, October 10, and December 10.

Fifteen (15) days before an election.

Five (5) days before an election.

January 31 of each year.

July 31 of each year in which there is no election.

Special reports of last minute contributions $200 or more received in the last few days before an election must be made within twenty-four (24) hours after receipt.

Section 206(b)—The items to be reported are listed in detail. Among these are the full name and mailing address, including the occupation and principal place of business, if any, of each person whose contributions aggregate $50 or more during the year or to whom an aggregate amount of $10 or more has been paid. The purchase of tickets for events such as dinners and rallies is included. The net proceeds from the sale of tickets for fund-raising events and the mass collections and sales of campaign buttons, etc., must be reported as a separate item. The cash on hand and the debts owed by the committee or obligations owed to the committee must be reported.

Section 206(c)—Reports shall be cumulative and if no receipts or expenditures have been made during the calendar year, that fact should be reported.

Section 206(d)—Weekly reports of cash contributions are required.

Section 207—As in the present D.C. law, every person other than a political committee or candidate who makes contributions or expenditures other than by contributions to a political committee or candidate, in an aggregate amount of $50 or more within a calendar year, must report separately to the Director.

Section 208—Reports must be verified by Oath or Affirmation.

EXEMPTION FOR CANDIDATES SPENDING LESS THAN $250

Section 209—Candidates anticipating spending less than $250 in any one election are relieved of the requirement of making the report but must register, keep records, and preserve receipted bills and records.

IDENTIFICATION OF CAMPAIGN LITERATURE

Section 210—The words "paid for by" followed by certain identifying information must appear on all newspaper or magazine advertising, posters, and similar campaign literature.

LIABILITY OF PERSONS INVOLVED WITH CAMPAIGN COMMITTEES

Section 211—This section states that this title is not intended to change any existing legal liability of any person for financial obligations incurred by a political committee or candidate.

TITLE III—DIRECTER OF CAMPAIGN FINANCE

To administer the program of reporting and enforcement of limitations, the bill creates the Office of Director of Campaign Finance. This is a suggestion from the Office of Federal Elections within the General Accounting Office. They administer the present federal law and urge that a single Director be given the responsibility for the day-to-day filing and enforcement.

Rule-making power stays with the Board of Elections and Ethics, as under present law.

The Director will provide the forms, develop a filing system, make reports available for public inspection and copying, compile a current list of all statements on file, make audits and field investigations. The Director will issue subpenas upon the approval of the Board.

The Board may appoint a General Counsel who may initiate civil actions, including petitioning the courts for injunctive relief to enforce the law.

These broad new powers to act quickly to enforce the reporting and expenditure requirements—by petitioning the court immediately for injunctive relief if necessary—are a vital part of this bill.

Section 301—This section establishes the Office of Director of Campaign Finance, to be appointed by the Mayor-Commissioner of the District of Columbia. Confirmation of the appointment is by the U.S. Senate until January 2, 1975. Thereafter, the Council of the District of Columbia confirms the appointment. Compensation is set at Grade 16; the Director is responsible for the administrative operations of the Board but not for making Regulations.

Section 301(b)—The General Counsel may be appointed by the Board and responsible solely to the Board. Compensation is the same as for the Director.

Section 301(c)—Apparent violations of the Act may be referred by the Board to the U.S. Attorney for the District of Columbia for prosecution. The Board shall make public the fact of such referral and the basis for finding an apparent violation.

Civil actions may be initated or defended by the Board through the General Counsel.

Declaratory or injunctive relief may be sought by the Board in petition to the Courts of the District of Columbia through the General Counsel.

POWERS OF THE DIRECTOR

Section 302(a)—The Director may require any person to submit reports in writing and answer questions relating to the administration or enforcement of the Act, and administer Oaths for this purpose. Subpoenas may be issued by the Director upon the approval of the Board. Witness fees and mileage may be paid as in court.

Section 302(b)—The subpoenas may be enforced through the courts.

Section 303—This section lists the many duties of the Director in keeping records and making reports to the public. He shall permit and facilitate copying of any reports by duplicating machine at reasonable cost. Audits and field investigations shall be made by the Director. Reports and statements made available to the public may not be used for the purposes of soliciting contributions or for any commercial purpose.

GENERAL ACCOUNTING OFFICE TO ASSIST

Section 304—The Board and the Director may request the assistance of the Comptroller General of the United States in making investigations and audits. The Comptroller General shall provide the assistance. Reimbursement may be agreed to by the Board, Director and Comptroller General.

NOMINATING COMMITTEE

The Mayor's appointments to the Board shall be made from a list of nominations furnished to him by a nominating committee established in Section 305.

Section 305—Effective January 2, 1975, a nominating committee shall suggest persons for appointment to fill any vacancies on the Board of Elections and Ethics. Two members of the committee shall be appointed by the Mayor, at least one of whom shall be a lawyer. Three members of the committee shall be appointed by the Chairman of the Council of the District of Columbia with the approval of the Council.

The terms and qualifications for membership on the committee are stated in this section.

The committee submits a list of three persons as nominees for appointment by the Mayor to fill a vacancy. If the Mayor fails to act within thirty (30) days, the committee shall make an appointment to the Board.

BOARD OF ELECTIONS AND ETHICS

Section 306(a)—The present Board of Elections shall be known as the District of Columbia Board of Elections and Ethics.

Section 306(b)—A civil penalty of $50 or less for each violation of this Act may be assessed by the Board after an opportunity for hearing and a decision by the Board incorporating its finding of facts. The Superior Court of the District of Columbia has jurisdiction to enforce a civil penalty and may determine de novo all issues of law. The Board's finding of fact, supported by substantial evidence, shall be conclusive.

Section 306(c)—Advisory opinions may be issued by the Board upon application by an officeholder, candidate, or a political committee.

TITLE IV—FINANCE LIMITATIONS CEILING ON CONTRIBUTIONS BY AN INDIVIDUAL

Section 401 (a) and (c)—An individual is limited in the amount he is permitted to contribute during an entire campaign (primary election and general election aggregated) to any one candidate to the following amount, depending on the office, as follows:

Mayor, $1,000.

Chairman of the Council, $750.

Council Member-at-Large, $500.

Council Member from a Ward, $200.

Board of Education-at-Large (with additional $200 in case of runoff), $200.

Board of Education from a Ward (with additional $100 in case of runoff), $100.

Official of a political party, $100.

Advisory Neighborhood Council, $25.

However, in no case, may an individual contribute to all candidates during the primary election more than $2,000 and not more than $2,000 during the general election.

CEILING ON CONTRIBUTIONS FROM GROUPS OR ORGANIZATIONS

Section 401(b)—This section sets ceilings for contributions to individual candidates from persons other than individuals. Thus corporations, labor unions, committees, and other groups are limited by ceilings separate from those listed for contributions by individuals. In each case, the ceiling set is twice the amount that an individual can contribute, except in the case of advisory neighborhood council candidate, where the ceiling is $25.

CANDIDATE CONTRIBUTING TO HIS OWN CAMPAIGN

Section 401(b)—This section also permits an individual candidate to contribute to his own campaign the same amount as permitted for persons other than individuals, except that a candidate for Council from a ward may spend $1,000 on his own campaign.

CORPORATIONS AND UNIONS AS "PERSONS"

The provisions of Section 401(b) as they apply to corporations and unions expire on July 1, 1975 unless the Council of the District of Columbia enacts legislation. If the Council fails to act, it must report its reasons to the District of Columbia Committees of the Senate and House of Representatives prior to August 1, 1975.

EXPENDITURES NOT AUTHORIZED BY CANDIDATE

Section 401(d)—A candidate must file a statement with the Board authorizing any person or political committee to receive contributions or make expenditures in behalf of the candidate. No person and no committee organized primarily to support a single candidate may receive contributions or make expenditures without the written authorization of the candidate.

Any expenditures made without the authorization of the candidate are not considered contributions or expenditures for the purposes of the limitations of Section 402, which sets maximum ceilings for expenditures by a candidate and the candidate's committees.

A $1,000 ceiling is placed on expenditures made by any person without authorization from the candidate.

CASH CONTRIBUTIONS LIMITED TO $50

Section 401(e)—This section limits contribution in legal tender to $50.

CONTRIBUTIONS IN THE NAME OF ANOTHER PROHIBITED

Section 401(f)—This section prohibits making a contribution in the name of another person. This is commonly referred to as a prohibition against laundering of contributions.

Section 401(g)—This section states that contributions through an intermediary or conduit shall be treated as contributions from the originator of the contribution to the candidate.

FAMILY LOANS IN WRITING

Section 401(h)—This section provides that a candidate or member of his immediate family may make a loan from personal funds for use in a campaign only by written instrument.

LIMITATION OF EXPENDITURES BY A CANDIDATE AND HIS COMMITTEES DURING A CAMPAIGN

Section 402—This section sets maximums which may be expended by a candidate for an entire campaign and permits up to 60% of that amount to be used in either the primary or general elections. The maximum for the other of the two elections is then set at 40% of the total.

The limitation on candidates, according to the office being sought, are as follows:

Mayor, $200,000.

Chairman of the Council, $150,000.

Other Council Members Elected at Large, $100,000.

Council Members Elected by Ward, $20,000.

Board of Education Members at Large, $20,000.

Board of Education Members from a Ward, $10,000.

After 1974 the ceilings will fluctuate with the price index.

CANDIDATE RESPONSIBLE FOR EXCEEDING CEILING

Section 402(b)—This section prohibits a candidate or a political committee from spending above the candidate's ceiling. The principal campaign committee must notify other political committees and the candidate when the ceiling is reached.

Section 402(c)—Expenditures are to be counted against the campaign year in which the election is held, even when the expenditure is made in another calendar year.

TITLE V—LOBBYING

Section 501. Definitions—For convenience of reference, the definitions of "contribution," "expenditure," and "legislation" in this section are as follows:

(a) The term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution.

(b) The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

(c) The term "legislation" means bills, resolutions, amendments, nominations, rules, and other matters pending or proposed in the Council of the District of Columbia, and includes any other matter which may be the subject of action by the Council of the District of Columbia Council.

Section 502. Detailed Accounts of Contributions; Retention of Receipted Bills of Expenditure—Subsection (a) of this section states that it shall be the duty of any person soliciting or receiving contributions (as defined above) to any organization or fund for the purpose designated in this title to keep a detailed and exact account of (1) all such contributions; (2) the name and address of every person making a contribution of $200 or more and the date thereof; (3) all expenditures made by or on behalf of the organization or fund; (4) the name and address of every person to whom the expenditure is made, and the date thereof.

Subsection (b) provides that it shall be the duty of such a person to keep detailed, receipted bills for expenditures in excess of $10, and to preserve all receipted bills and accounts for at least two years from the date of filing of the statement containing such items.

Section 503. Receipts for Contributions—This section requires every individual who receives a contribution of $200 or more for any purpose designated in this title, within five days after receipt, to render to the person or organization for which it was received a detail account thereof, including the name and address of the contributor and the date on which it was received.

Section 504. Statements of Accounts Filed with Director—Subsection (a) of this section requires every person receiving any contribution or expending any money for the purposes designated in this title to file with the Director, between the first and tenth day of each calendar quarter, a statement showing (1) the name and address of each person contributing $200 or more not listed in the previous report, except that the first such report shall contain the name and address of each person making such a contribution since January 2, 1975; (2) the total sum of the contributions made to or for such person during the calendar year and not stated under the foregoing requirement; (3) the total sum of all contributions made to or for such person during the calendar year; (4) the name and address of each person to whom an expenditure of $10 or more has been made within the calendar year by or on behalf of such person and the amount, date and purpose of such expenditure; (5) the total sum of all expenditures made by or on behalf of such person during the calendar year and not stated under the foregoing requirement; and (6) the total sum of expenditures made by or on behalf of such person during the calendar year.

Subsection (b) provides that the statements required to be filed under this section shall be cumulative during the calendar year to which they relate.

Section 505. Preservation of Statements—Subsection (a) of this section provides that statements required under this title to be filed with the Director shall be deemed properly filed when deposited in a post office within the required time, duly stamped, registered, and addressed to the Director; but in the event it is not received, a duplicate statement shall be filed promptly upon notice by the Director of its non-receipt.

Subsection (b) requires that such statements shall be preserved by the Director for a period of at least two years from the date of filing, shall constitute part of the public records of his office, and shall be open to public inspection.

Section 506. Persons to Whom Title is Applicable—This section defines the application of this title to include any person (except a political committee) who, by himself or through an agent or employee or other person in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

(a) The passage or defeat of any legislation (as defined in section 501(c) of this title) by the Council of the District of Columbia.

(b) To influence, directly or indirectly, the passage or defeat of any legislation by the Council of the District of Columbia.

Section 507. Registration of Lobbyists with Director; Compilation of Information—Subsection (a) of this section provides that any person who shall engage himself, for pay or for any consideration, for the purpose of attempting to influence the passage or defeat of legislation by the Council of the District of Columbia shall register with the Director, giving him in writing and under oath full details of his employment in such capacity. This information shall include his name and business address, the name and address of the person by whom he is employed in this capacity, the duration of such employment, and all details as to his pay for such services. It is further provided that such person so registered shall report to the Director each calendar quarter details concerning money received and expended by him during the preceding calendar quarter in connection with his work. The provisions of this section shall not apply, however, to any person who merely appears before a committee of the Council of the District of Columbia in support of or in opposition to legislation, but who engages in no further activities in connection with the passage or defeat of legislation; a public official acting in his official capacity; and a newspaper or periodical acting in the normal course of its business.

Subsection (b) requires all information filed under the provisions of this section with the Director to be compiled by the Director and to be printed in the District of Columbia Register.

Section 508. Reports and Statements Under Oath—This section requires all statements and reports required under this title to be made under oath.

Section 509. Penalties and Prohibitions—Subsection (a) of this section states that a violation of any provision of this title shall be a misdemeanor, punishable by a fine of not more than $5,000 or imprisonment for not more than twelve months, or both.

Subsection (b) provides, in addition to the penalties provided in subsection (a), that any person convicted of the misdemeanor specified in subsection (a) is prohibited for a period of three years from the date of such conviction from attempting to influence, directly or indirectly, the passage or defeat of any proposed legislation or from appearing before a committee of the D.C. Council in support of or opposition to any proposed legislation. Further, any person who violates this provision shall be guilty of a felony and shall be punished by a fine of not more than $10,000, or imprisonment for not more than five years, or both.

Section 510—The lobbying provisions do not apply to members and staff of Congress, members of advisory neighborhood councils, persons receiving less than $500 a year for lobbying activity, or tax exempt organizations.

TITLE VI—CONFLICT OF INTEREST AND DISCLOSURE

Section 601—A public official of the District is prohibited from using his office to obtain financial gain, accepting gifts for taking official action, disclosing confidential resulting in financial gain. No official can accept membership on a committee, or an assignment of responsibility which creates a conflict of interest.

Section 602—This section requires candidates and District office holders to file a report with the Board of Elections and Ethics containing the income, business transactions, property purchases or sales, and taxes paid each year.

TITLE VII—PENALTIES AND MISCELLANEOUS

Section 701—This section sets penalties for violations of this Act of a fine of $5,000 or imprisonment for six (6) months or both. In cases of knowingly filing false reports or making false statements, the fine is $10,000 and imprisonment for five (5) years or both. The penalties do not apply in cases before the date of enactment of this Act for a person during 1974 who has made contributions or expenditures in excess of the limitation in the Act. However, no further contributions or expenditures during the remainder of calendar year 1974 are permitted by such a person. Prosecutions are by the U.S. Attorney for the District of Columbia.

TAX CREDIT FOR CAMPAIGN CONTRIBUTIONS

Section 702—A $12.50 tax credit is permitted for an individual and $25.00 for married persons filing a joint return.

USE OF SURPLUS CAMPAIGN FUNDS

Section 703—Any surplus funds shall be contributed to a political party for political purposes, used to retire the proper debt of the political committee which received the sums, or returned to the donors within six (6) months of the election date, or six (6) months of an individual ceasing to be a candidate.

A STUDY OF 1974 ELECTIONS BY COUNCIL

Section 704—The Council during 1975 shall conduct public hearings and investigate the operation of this Act and suggestions for improving electoral machinery. A report shall be issued to the public.

Enactment of this Act does not limit the legislative authority over elections given to the Council in the D.C. Self-Government and Governmental Reorganization Act.

EFFECTIVE DATES

Section 705—Except that information in the first report shall be that required by existing law, Titles II and IV of this Act shall take effect on the date of enactment of this Act. Title V shall take effect January 2, 1975. Titles I, III, VI and VII shall take effect on the date of enactment of this Act.

REPEAL OF SUBSECTIONS OF EXISTING ELECTION ACT

Section 706—All subdivisions except subdivision (a) of Section 13 of the present election act for the District of Columbia are repealed.

PAY FOR MEMBERS OF THE BOARD

Section 706(b)—The compensation of Board members is $100 for each eight-hour period with a limit of $12,500 per annum. There is no annual limitation for fiscal year 1974.

AUTHORITY OF COUNCIL

Section 707—As stated in Section 704(b), the enactment of this Act does not limit the authority of the District of Columbia Council under the Self-Government and Governmental Reorganization Act.

AUTHORIZATION OF APPROPRIATION

Section 708—For the purposes of carrying out this act, the $750,000 authorized under Section 722 of the Self-Government and Governmental Reorganization Act may be used.

I will be glad to answer questions if there are any.

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

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

Mr. GROSS. Mr. Speaker, I have in hand a story in the Washington Star of this date, August 1, and if the gentleman will indulge me I will read two paragraphs of the story:

The former chairman of the D.C. Elections Board, Charles B. Fisher, yesterday returned to the city government a $4,950 payment he received last week while the legal authority for the payment was still pending in Congress.

A bill now in the form of a House-Senate conference committee report passed the Senate last week and was scheduled for House floor action today. District and Capitol Hill sources said yesterday that, even under the terms of the bill, there is some question whether the payment would be legal.

My question to the gentleman from Minnesota (Mr. FRASER) is, and I call his attention to page 28 of the conference report, and citing the effective date of January 2, 1975, whether retroactively $4,950 can be paid out to this particular individual under the terms of this bill?

Mr. FRASER. I will say to the gentleman that the committees were aware that during the early part of this year there had been an extraordinary amount of work for the members of the election board, and it was recognized that they were well in excess, at least, some of them, of the maximum compensation permitted. In other words, they had been spending a great deal of time and they received absolutely no compensation despite the fact that they had to prepare for the first time for a comprehensive set of elections for the District of Columbia. So there was inserted a provision that said in 1974—and here I want to add that our understanding is that this is fiscal year 1974, in other words, this so-called retroactive provision extended only up to June 30, which we are already now past—that would in effect permit the board of election members who worked additional hours beyond the maximum in getting ready for these elections, to receive additional compensation.

There is a limitation that is operative beginning July 1 for fiscal year 1975—a limitation of $12,500, whereas the limitation which was removed for this past year was $11,250.

We are hopeful that the bulk of the work has been done, but if it should turn out that during the current year, the current fiscal year, there are such added responsibilities that this limitation is unrealistic, as of January the City Council will be in a position to make some kind of adjustment.

So the gentleman is right, that there is in a sense a provision for retroactive pay, but it is for services performed, and it is a recognition that as in no other fiscal year they had to gear up for the Home Rule referendum election on May 7 and the general and primary elections that are now underway.

Mr. GROSS. I have serious doubt, if the gentleman will yield further, that this legislation will provide legally for such payment since the effective date of the bill is January 2, 1975. I point out that the legislation clearly provides that "title 7 of this Act shall take effect on the date of enactment of the Act" which is January 2, 1975, and nowhere in section 706 or section 13, both of which are in title 7, is there specific authority for retroactive payments nor is the word used.

Mr. FRASER. I believe the effective date of most titles of this act will be when the President signs it. The gentleman may be right, but from a legal point of view it is not that clear. We are told that corporation counsel believes this provision will be effective, but I am sure that we will want to make certain that this question is examined very carefully before any payment is made.

Mr. GROSS. I thank the gentleman.

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

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

Mr. BRAY. Does this bill allow a corporation to contribute to political campaigns?

Mr. FRASER. Yes, it does.

Mr. BRAY. Is that not most unusual to allow that?

Mr. FRASER. If I may say to the gentleman, if he is indicating he does not approve of it, I did not, either. I fought very hard in the District of Columbia Committee to prevent that, as well as to prevent contributions from union treasuries. On the other side they took the opposite point of view. They took the view in the discussion that, in fact, contributions are made in a circuitious manner. Corporations sometimes contribute through their management level officials and somehow they are reimbursed. They argued that it is better to bring it out in the open, and after a rather vigorous discussion I may add, it was finally put in.

Let me add one other element. As the law now stands, and the elections are underway, there is no limitation in the District of Columbia. In other words, had we enacted the restriction on corporations, we would have been changing the state of affairs that exists today; the election is already underway without the restrictions. This authority to contribute applies to just this election. We put a requirement in the conference agreement that the City Council has to take the question up again after January and make a further decision whether they will permit corporations and union treasuries to contribute. I hope they will not permit it.

Mr. BRAY. Is there not a statute in the Internal Revenue law against that?

Mr. FRASER. I think with respect to Federal campaigns and corporate contributions, there is, we were advised, I might say, that about half the States permit corporate contributions to candidates. For example, the State of Maryland does permit corporations to contribute under certain restrictions. I believe the State of Virginia does as well.

Mr. BRAY. The State of Indiana does not. Does not the gentleman believe this should be studied before the Federal Congress allows this to start as a precedent and allow this specifically by statute?

Mr. FRASER. As I say, the election is already underway and without this law, it is already lawful. We are forcing the Council to take it up next year.

I happen to agree with the gentleman. I did not like it, but in trying to work out the differences, we finally acquiesced, permitting it in this election.

Mr. BRAY. I thank the gentleman.

Mr. GUDE. Mr. Speaker, just to add a note for myself and the ranking minority member of this committee from Minnesota (Mr. NELSEN), we felt strongly about this point. We did not prevail in the conference. We did the very best we could.

I think as far as the question whether this is a Federal matter, this bill applies to elections here in the District of Columbia that are for local offices and this is not an amendment to the Federal statutes that prohibit corporations contributing to political campaigns in Federal campaigns.

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

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MAKING TECHNICAL CORRECTIONS IN THE ENROLLMENT OF H.R. 15074 REGULATING CERTAIN POLITICAL CAMPAIGN FINANCE PRACTICES

Mr. FRASER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 574).

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 574

Resolved, by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives in the enrollment of the bill (H.R. 15074) to regulate certain political campaign finance practices, and for other purposes, is authorized and directed to make the corrections described as follows:

(1) In section 602 of the bill, immediately after "Sec. 602." insert "(a)".

(2) In section 602(b) of the bill, strike out "and the Chairman and each member of the Council and the Mayor holding mental" and inserting in lieu thereof "and the Mayor, and the Chairman and each member of the Council of the District of Columbia holding office under the District of Columbia Self-Government and Governmental".

(3) In section 602(a)(5) of the bill, strike out "or real property" and insert in lieu thereof "of real property".

(4) In section 702 insert after subsection (a) a new subsection (b):

"(b) The table of contents of such article is amended by adding at the end of the part of such table relating to title VI the following"

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

Mr. GROSS. Mr. Speaker, I certainly would like to reserve the right to object.

Would the gentleman take a brief time to explain this? I have just been handed a copy of the concurrent resolution. Was it previously programed for this time?

It has four articles, according to the reading clerk, but there are only three in the material just handed me. I do not know what the resolution purports to do.

Mr. FRASER. Mr. Speaker, if the gentleman will yield——

Mr. GROSS. Of course.

Mr. FRASER. In the printing of the final conference report of the two Houses, there were discrepancies. The official papers on this bill as filed and as approved by the other body are correct. But there was slight variance in the joint conference statement (H. Rept. 93–1225) as filed in the House. These are purely technical. None of them are substantive. They are simply designed to correct errors in printing in connection with the filing of the papers. There is no substantive difference here, or change. It is simply asking that technical and printing errors be corrected.

For example, the fourth item deals with three lines which were in the Senate bill and also in the House bill and in the draft of the conference report submitted in the House and the Senate. However, in setting type they were inadvertently omitted.

Mr. GROSS. I would yield to the gentleman from Maryland to state his version of it if he cares to do so.

Mr. GUDE. I thank the gentleman. This resolution deals strictly with technical areas and is not intended to, in any way, change the substance of this legislation.

Mr. GROSS. Do I understand there is no substantive change of any nature?

Mr. GUDE. That is correct.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRASER. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the subject of the conference report just agreed to.

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

There was no objection.

AMENDING ATOMIC ENERGY ACT OF 1954 AND ATOMIC WEAPONS REWARDS ACT OF 1955

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1225 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1225

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15416) to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Joint Committee on Atomic Energy, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. ZABLOCKI). The gentleman from Louisiana is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1225 provides for an open rule with 1 hour of general debate on H.R. 15416, the Atomic Energy Commission omnibus bill of 1974.

H.R. 15416 amends the Atomic Rewards Act of 1955 to authorize rewards for the furnishing of information with respect to actual introduction or actual manufacture or attempts to introduce, manufacture, or acquire special nuclear material or atomic weapons. It also provides an authorization for rewards for information concerning the export, attempted export, or conspiracy to introduce, manufacture, acquire, or export special nuclear material or atomic weapons.

H.R. 15416 amends the Atomic Energy Act of 1954, as amended, to provide for a revised procedure by which proposed increases in the amounts of special nuclear material authorized for distribution to the International Atomic Energy Agency, or other groups of nations, or proposed changes in the duration of agreements for such distribution would be reviewed by Congress.

Mr. Speaker, I urge the adoption of House Resolution 1225 in order that we may discuss, debate, and pass H.R. 15416.

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

Mr. Speaker, House Resolution 1225 is an open rule with 1 hour of general debate, providing for the consideration of H.R. 15416, the AEC omnibus legislation of 1974. This is a completely open rule with no waivers of points of order.

The purpose of this omnibus legislation is to keep current the statutory framework of the atomic energy programs.

The Atomic Rewards Act of 1955 is amended to authorize rewards for furnishing information with respect to attempts as well as actual introduction or acquisition of special nuclear material or an atomic weapon.

The Atomic Energy Act of 1954 is also amended to provide for a revised procedure by which proposed increases in the amounts of special nuclear material authorized for distribution to the International Atomic Energy Agency, or other groups of nations, or proposed changes in the duration of agreements for such distribution would hereafter be reviewed by the Congress.

New language is also added to permit the AEC itself to export or authorize others to export, special nuclear material other than that under an agreement for cooperation.

Mr. Speaker, the administration is in support of this bill. I recommend adoption of the rule in order that the House may proceed to consider this bill.

Mr. Speaker, I have no further request for time.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PRICE of Illinois. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15416), to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. PRICE).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15416, with Mr. HUNGATE in the Chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Illinois (Mr. PRICE) will be recognized for 30 minutes, and the gentleman from California (Mr. HOSMER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois (Mr. PRICE).

Mr. PRICE of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as chairman of the Joint Committee on Atomic Energy, I am pleased to appear before this House today in support of H.R. 15416. This bill is a composite of miscellaneous legislative proposals forwarded by the Atomic Energy Commission. The committee believes that its practice of considering such proposals in omnibus form promotes legislative efficiency and assists in keeping atomic energy related statutes current in the face of rapid advances in the field of nuclear technology.

H.R. 15416 contains seven sections, the first dealing with the scope of the Atomic Weapons Rewards Act of 1955, and the others address various sections of the Atomic Energy Act of 1954, as amended. The Subcommittee on Agreements for Cooperation of the JCAE, on April 30, 1974, held a hearing on what is now section 2 of the bill. The full committee considered the entire range of this legislation on June 18, 1974, and subsequently voted unanimously to approve it, with an amendment, and to report it favorably. I would add that S. 3669, the companion bill to H.R. 15416, passed the Senate without amendment by voice vote on July 11.

I want to stress at the outset that this bill does not affect in any way the proposed agreements for peaceful cooperation with certain Middle Eastern countries.

Returning to the omnibus bill, H.R. 15416, the Joint Committee amended section 2 of the bill to retain the present ceilings on amounts of special nuclear material which the AEC is authorized to distribute to the International Atomic Energy Agency and to provide a clear-cut mechanism for congressional review of proposed increases in these ceilings. The committee believes that Congress must continue to participate deliberately and responsibly in the sensitive area of international dissemination of nuclear fuel as well as the technology itself.

The other sections of the bill, in the opinion of the committee, are noncontroversial and warrant only brief mention. The changes in the Atomic Rewards Act will round out the scope of its coverage with respect to illegal export of, or attempts to export special nuclear material or an atomic weapon, and to cover conspiracies to export, or import such material or weapons.

Another section would make explicit the AEC's authority to conduct a program of approval of persons who will have access to, or control over, significant amounts of special nuclear material. Such persons are not covered by the clearance procedures now required for access to restricted data.

The bill would also extend for 5 more years the compulsory patent licensing provisions of the Atomic Energy Act, whereby the AEC has authority to compel the licensing of certain patents when such action is determined to be in the public interest. Still another section would permit the AEC to exempt minimal quantities of special nuclear material from licensing requirements, as is the present practice for small amounts of source or byproduct materials. This would apply to such items as cardiac pacemakers powered by plutonium-238 batteries. The AEC would be authorized to control such devices by licensing the manufacturers rather than each individual user.

A final provision would permit the AEC to export quantities of plutonium-238 in bulk form. What is envisioned here is that other advanced nations may develop the technology to manufacture cardiac pacemakers, or other peaceful devices involving the use of this material as a power source, in which case they may wish to purchase the plutonium-238 itself, rather than the finished products. There is no way that plutonium-238 could be used to produce material for atomic weapons. Plutonium-238 is not a fissionable isotope such as are plutonium-239 and other isotopes of plutonium. The primary characteristic of plutonium-238 which makes it valuable for such applications as heart pacemakers is its capacity to continually release heat energy which can be converted to electricity. In any case, the bill requires the AEC to make a finding that such distribution would not be inimical to the common defense and security. Additionally, although it is recognized that the AEC cannot be expected to monitor the public health and safety safeguards of other countries, the Joint Committee expects that the Commission, when it considers export of bulk plutonium-238, will ascertain that the country of the recipient has a program for control of such material.

Mr. Chairman, I urge favorable action on H.R. 15416.

Mr. HOSMER. Mr. Chairman, I yield myself such time as I may consume and I join in the remarks made by my colleague, the gentleman from Illinois (Mr. PRICE).

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

The CHAIRMAN. Evidently a quorum is not present.

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

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. 103 Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from California (Mr. HOSMER).

Mr. HOSMER. Mr. Chairman, I was stating at the time someone made a point of no quorum that this piece of legislation is an annual affair. It is more or less the AEC housekeeping bill in which several things are brought together in one omnibus bill. For instance, there has been a proposal around to make more effective the Atomic Energy Rewards Act of 1955. That originally provided for an award for information concerning the import of various kinds of bomb ingredients into this country. We would like to expand that rewards system now to exports, or attempted exports, or conspiracies to import, acquire, or to export an atomic weapon or special nuclear material.

Then the second section of the omnibus bill deals with the ceilings for distribution of such nuclear material to groups of nations. By that we mean the International Atomic Energy Agency and Euratom.

I think it should be understood, Mr. Chairman, that the atomic energy effort of this Nation is a very, very large business.

We, for instance, manufacture nuclear fuel in the form of slightly enriched uranium, enriched in the content of U-235 from 0.7 in which it is naturally found to somewhere between 3 and 5 percent.

Now, this is a fuel which is burned to make the electricity in all of the nuclear power stations around the world. This fuel up to now has been totally supplied out of the enrichment capabilities and facilities of the U.S. Government. As a consequence, people overseas and the large effort that is being made in Europe to gain independence from Arab oil imports is based on building up a large-scale nuclear peaceful reactor business in Europe, business as it is known in our own country.

In the very early days of this business we recognized that there might be attempted illicit diversion of special nuclear material from these accounts, so we established a series of safeguards. We had safeguards imposed by our own Government upon our own reactors and reactors that we supply fuel to overseas. We have safeguards imposed by the International Atomic Energy Agency. We have safeguards imposed by the International Atomic Energy Agency. We have safeguards imposed by Euratom in the countries of its jurisdiction and some of the other nations of the world which have nuclear reactor endeavors also impose safeguards and inspections of one kind or another to make certain there is no diversion.

One of the things that we provided in the Atomic Energy Act, in addition to the normal safeguard procedures and the normal inspection procedures, was an accountability procedure whereby even though nuclear fuel could not be turned into a bomb, we wanted to know how much was around, particularly how much was leaving this country; so in our own arrangements with IAEA and with Euratom, we provided there would be ceilings in the amount that ; ets exported.

Now, as the peaceful nuclear power business keeps growing, as we have more and more nuclear business worldwide with more and more requirements for nuclear fuel, naturally that ceiling has to move up.

Section 2 provides a mechanism whereby Congress can be aware of the ceilings as they may be changed and can, at any time it receives a proposal to increase a ceiling, inquire as to what the effect would be and to express and work its will respecting the same.

Section 3 of this omnibus bill exempts from licensing in one fashion certain special nuclear materials in very small amounts that are used incidental to the peacetime uses, such as medicine, such as nuclear pacemakers and so on. The other portions of the bill likewise deal with housekeeping items.

Section 4 makes a clarification as to the situation where we have State governments handling certain nuclear licensing matters, that they are actually entitled and have authority to handle them.

There is an extension in section 6 of the compulsory licensing provisions we have had in the patent sections of the Atomic Energy Act for a long time.

In section 7 there is a clarification and expansion of the Commission's authority with respect to licensing people who handle nuclear fuels, for instance, in transportation.

We make certain that those engaged in that endeavor in this country are reliable people and that they are carrying on this activity under the proper kind of safeguards that should be carried on.

Again, Mr. Chairman, I say that the nuclear fuel industry and its related activities are a very, very large and growing part of the U.S. economy and a part of the energy effort that supports that economy, and the same is true in the other nations of the world with which we deal. As a consequence, we have handled this effort very carefully. We have attempted at all times to provide the maximum assurance that these materials will forever remain in peaceful channels and will not be subject to diversion.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, recent events—the explosion of an atomic bomb by India and the concern expressed here in the House, have raised a very important issue as to what safeguards we are providing for to make certain there is a non-proliferation. Responsibility to ourselves requires that if other nations do get nuclear materials from us they are not able to convert them to military purposes. Is there anything in these amendments which provides additional safeguards, with respect to any materials we may be transferring? Do we, for example, require any nation to whom we transfer this material to be either a signatory of or ratifiers of the Nuclear Non-Proliferation Treaty, which puts into motion the IAEA safeguards?

Mr. HOSMER. With respect to any transaction in nuclear fuels with other countries, we provide, except in very minor instances for things for such medical purposes as the heart pacemakers where we use plutonium 238 in very small quantities, and it is not possible to make a bomb out of it anyway, it being a different isotope—we provide that whenever there is traffic in this material, there have to be safeguards as required by an agreement for cooperation. This is the law we have had on the books for years. It requires that it be done under arrangements providing for safeguards both as an obligation of the United States and as an obligation of the nation with whom we are doing business.

More than that, we provide that international safeguards which have been created by the International Atomic Energy Agency, shall also apply in many of these cases. Over and above that, in some countries we insist upon more safeguards than we do with others.

For instance, the nations which are already nuclear powers we do business with, such as France or England, that is one thing. Some other country which is not a nuclear power, that is something different.

With respect to the gentlewoman's question, the portion of it having to do with the signatories to the Non-Proliferation Treaty, we nevertheless do business under agreements with peoples who have not signed that treaty. For instance, with the Japanese. They have never signed the treaty. They have their reasons, whatever they are, but nonetheless, we do not feel that there is any danger in doing this peaceful nuclear business in nuclear fuels because they have not signed the treaty. I believe their emphasis in that particular instance is on some other elements of their foreign policy which are only collateral to this nuclear fuel thing.

Ms. ABZUG. Would we not feel more secure if ratification was required as a condition of our transfer of nuclear materials—an obligation to be subject to the safeguards of Non-Proliferation Treaty?

Mr. HOSMER. No, because the gentlewoman must understand that we are dealing with two different subjects here. Bombs and things like that are one subject.

Then we have the much larger subject of the peaceful atomic business, which is a going business, a legitimate business, a business conducted under safeguards for the last 20 years, a business in which there has never been a diversion of any kind from the channels that we have done business with, an activity within which even we cooperated with the Government of Indian with respect to a reactor or two in that country.

Their materials for a weapon did not come out of that reactor. If we had been the sole and exclusive people who had done business with the Indians, the Indians would not have a bomb today, because the Indians got their capability not from us but from the fact that they dealt with the Canadians. The Canadians did not insist that the Indians observe these safeguards which I have talked about. As a consequence, things got out of hand.

If the gentlewoman says that we should pass a law that these people have to sign up with the Non-Proliferation Treaty; otherwise they cannot do business with us, that would, of course, stop us from doing business and stop us from imposing our safeguards on them. Then they would probably go out and do business with somebody who would not impose those safeguards.

So, my answer to the gentlewoman's question on that basis would be that insistence upon the signing of the Non-Proliferation Treaty, rather than assisting the cause of peace, would be a detriment.

Ms. ABZUG. If the gentleman will yield further, my thought, in face of the recent Indian experience, was just the converse of what the gentleman said.

It seems to me that we have the responsibility to take maximum steps, not to simply say, "We have had safeguards in the past."

There is now a greater spread of nuclear knowledge. There is now a greater danger.

I should think that the gentleman would be most interested in seeing that the safeguards which become operative under the Nuclear Non-Proliferation Treaty are put into effect so that we can be even more certain that any nuclear materials we transfer cannot be converted. There has been much evidence presented in testimony at hearings before the committees of this House, and the other body which suggests greater safeguards are needed.

Why not take the maximum safeguards?

Mr. HOSMER. I think the gentlewoman misconceives the magnitude of the capability of the United States to impose its will on other countries.

I just got through telling the gentlewoman that if we should make the move she recommends, the only result it would have would be that other nations would do business with people who do not impose safeguards and thereby the world would be made an unsafer place.

It is counterproductive to do what the gentlewoman suggests. It is better that the United States, with its careful safeguard systems, should be imposing those rules and regulations and safeguards around the world than it is that none should be imposed whatsoever.

Mr. PRICE of Illinois. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, I am sure that we realize that there is, both in the country and in the Congress, a great concern about the nuclear weapon. Not to be afraid of the eventuality of nuclear explosions and not to act on that knowledge, is a suicidal policy.

Scientists who are familiar with the problem of nuclear proliferation and the absence of nuclear safeguards are trying to warn us that the situation is out of control. We are past the point where we can pretend that only the super powers control the nuclear weapon. The United States, the Soviet Union, France, England, and China have it; and now we have India as a member of the nuclear club. Further, it is likely that more nations now have nuclear bombs than has been publicly revealed.

It is no longer necessary to test the nuclear bomb in order to make one. Not only can other nations make bombs but groups of people with a common purpose, terrorists and criminals, have the capacity to make them.

Mr. Chairman, the Members may remember the physicist, Dr. Theodore Taylor, who was a conceptual designer of nuclear bombs at Los Alamos and who designed the "Davy Crockett" which at the time was the lightest and smallest fission bomb ever made, and who de-

signed a super oralloy bomb, which is the largest fission bomb that has ever been exploded.

Dr. Taylor tells us that a bomb can be made by one person working alone with nuclear materials stolen even from private industry. Soon private companies will own more plutonium than exists in all the nuclear arsenal in NATO. The AEC itself actually loses as much as 100 pounds of uranium and 6 pounds of plutonium every year, more than enough to make 10 bombs.

Dr. Taylor, who believes the increasing availability of plutonium on the world scale makes all nations available to nuclear blackmail, has tried to indicate to us how serious is the problem by giving us all kinds of examples. For example, he says that a 1-kiloton bomb exploded just outside the restricted area during the state of the Union message at the U.S. Capitol would kill every one in the Capital.

Mr. Chairman, I am not here to tell scare stories. I think it is quite evident by now that such things are possible.

What I am here to discuss is this: What is the nature of our policy? It seems to me that we must analyze whether we will blow up our country and other countries as a direct result of our own policy.

What I have tried to discuss here briefly with the ranking member of the committee is the question of what is our responsibility. Should we not take as many steps as we can in connection with the transfer or all kinds of nuclear materials? It seems to me that for us not to do so is foolhardy.

We have been in the lead in the field of making nuclear materials available to other nations, large and small. That is quite evident. It is true we cannot control the whole scene. There is, however, a Nuclear Non-Proliferation Treaty, and under its provisions there are international safeguards which those countries who sign and ratify that agreement must follow. Unfortunately they are not subject to it if they are not signatories to that treaty.

I think now we have an obligation to say, in connection with the act before us today, we at least are taking as many steps as we can to safeguard our future. One of those steps that I hope to propose as an amendment to this act is a provision that states when the United States exports any special nuclear material, source material, or production facility through someone who manufactures such facility to a foreign nation or a regional defense orgaization we should require of such foreign nation or member nation of a regional defense organization, as a condition for the receipt of this kind of material, the signature and ratification of the Non-Proliferation Treaty of 1968 and the partial Test Ban Treaty of 1963.

Mr. Chairman, I think unless we do that, then we can be accused of becoming much too carefree about the question of our survival on this planet. I think we must deal with this issue.

Mr. PRICE of Illinois. With respect to section 2 of the bill now before us—amending section 54 of the Atomic Energy Act—I would like to point out the following:

All special nuclear material supplied by the United States through IAEA to a member nation is subject to safeguards approved by the United States. There is no absence of the normal safeguards provisions nor of rights of safeguards inspection. All of the normal guarantees apply.

Under the IAEA safeguards system there has been no indication of attempt to utilize safeguarded nuclear material for nonpeaceful purposes. The system works. It is under periodic reappraisal and improvement to assure its continued effectiveness. There are over 60 professional staff at IAEA currently working in this effort.

Agreement by the foreign nation to the imposition of IAEA safeguards is required in all cases regardless of whether the nation is a signatory to—or ratifier of—the Non-Proliferation Treaty of 1968.

Mr. PRICE of Illinois. Mr. Chairman, I have no further requests for time.

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Atomic Weapons Rewards Act of 1955 is amended as follows:

(a) The initial section of the Act is amended by striking out the words "Atomic Weapons Rewards Act of 1955" and by substituting in lieu thereof "Atomic Weapons and Special Nuclear Materials Rewards Act."

(b) Sections 2, 3, and 5 of the Act are amended to read as follows:

"SEC. 2. Any person who furnishes original information to the United States—

"(a) leading to the finding or other acquisition by the United States of special nuclear material or an atomic weapon which has been introduced into the United States or manufactured or acquired therein contrary to the laws of the United States, or

"(b) with respect to the introduction or attempted introduction into the United States or the manufacture or acquisition or attempted manufacture or acquisition of, or a conspiracy to introduce into the United States or to manufacture or acquire, special nuclear material or an atomic weapon contrary to the laws of the United States, or

"(c) with respect to the export or attempted export, or a conspiracy to export, special nuclear material or an atomic weapon from the United States contrary to the laws of the United States,

shall be rewarded by the payment of an amount not to exceed $500,000.

"SEC. 3. The Attorney General shall determine whether a person furnishing information to the United States is entitled to a reward and the amount to be paid pursuant to section 2. Before making a reward under this section the Attorney General shall advise and consult with the Atomic Energy Commission. A reward of $50,000 or more may not be made without the approval of the President.".

"SEC. 5. (a) The Attorney General is authorized to hold such hearings and make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this Act.

"(b) A determination made by the Attorney General under section 3 of this Act shall be final and conclusive and no court shall have power or jurisdiction to review it.".

(c) Section 6 of this Act is amended by deleting the words "Awards Board" and by substituting in lieu thereof the words "Attorney General".

SEC. 2. Section 54 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"SEC. 54. FOREIGN DISTRIBUTION OF SPECIAL NUCLEAR MATERIAL.—a. The Commission is authorized to cooperate with any nation or group of nations by distributing special nuclear material and to distribute such special nuclear material, pursuant to the terms of an agreement for cooperation to which such nation or group of nations is a party and which is made in accordance with section 123. Unless hereafter otherwise authorized by law the Commission shall be compensated for special nuclear material so distributed at not less than the Commission's published charges applicable to the domestic distribution of such material, except that the Commission to assist and encourage research on peaceful uses or for medical therapy may so distribute without charge during any calendar year only a quantity of such material which at the time of transfer does not exceed in value $10,000 in the case of one nation or $50,000 in the case of any group of nations. The Commission may distribute to the International Atomic Energy Agency, or to any group of nations, only such amounts of special nuclear materials and for such period of time as are authorized by Congress: *Provided, however,* That (1) notwithstanding this provision, the Commission is hereby authorized, subject to the provisions of section 123, to distribute to the Agency seventy-five thousand kilograms of contained uranium 235, five hundred grams of uranium 233, and three kilograms of plutonium; and (ii) notwithstanding the foregoing provisions of this subsection, the Commission may distribute to the Internatonal Atomic Energy Agency, or to any group of nations, such other amounts of special nuclear materials and for such other periods of time as are established in writing by the Commission: *Provided, however,* That before they are established by the Commission pursuant to this subdivision (ii), such proposed amounts and periods shall be submitted to the Joint Committee, and a period of thirty days shall elapse while Congress is in session (in computing the thirty days there shall be excluded the days in which either House is not in session because of adjournment for more than three days) unless the Joint Committee by resolution in writing waives the condition of, or all or any portion of, such thirty day period. The Commission may agree to repurchase any special nuclear material distributed under a sale arrangement pursuant to this subsection which is not consumed in the course of the activities conducted in accordance with the agreement for cooperation, or any uranium remaining after irradiation of such special nuclear material, at a repurchase price not to exceed the Commission's sale price for comparable special nuclear material or uranium in effect at the time of delivery of such material to the Commission. The Commission may also agree to purchase, consistent with and within the period of the agreement for cooperation, special nuclear material produced in a nuclear reactor located outside the United States through the use of special nuclear material which was leased or sold pursuant to this subsection. Under any such agreement the Commission shall purchase only such material as is delivered to the Commission during any period when there is in effect a guaranteed purchase price for the same material produced in a nuclear reactor by a person licensed under section 104, established by the Commission pursuant to section 56, and the price to be paid shall be the price so established by the Commission and in effect for the same material delivered to the Commission.

"b. Notwithstanding the provisions of sections 123, 124, and 125, the Commission is authorized to distribute to any person outside the United States (1) plutonium con-

taining 80 per centum or more by weight of plutonium-238, and (2) other special nuclear material when it has, in accordance with subsection 57d., exempted certain classes or quantities of such other special nuclear material or kinds of uses or users thereof from the requirements for a license set forth in this chapter. Unless hereafter otherwise authorized by law, the Commission shall be compensated for special nuclear material so distributed at not less than the Commission's published charges applicable to the domestic distribution of such material. The Commission shall not distribute any plutonium containing 80 per centum or more by weight of plutonium-238 to any person under this subsection if, in its opinion, such distribution would be inimical to the common defense and security. The Commission may require such reports regarding the use of material distributed pursuant to the provisions of this subsection as it deems necessary.

"c. The Commission is authorized to license or otherwise permit others to distribute special nuclear material to any person outside the United States under the same conditions, except as to charges, as would be applicable if the material were distributed by the Commission.".

SEC. 3. Section 57 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following new subsection:

"d. The Commission is authorized to establish classes of special nuclear material and to exempt certain classes or quantities of special nuclear material or kinds of uses or users from the requirements for a license set forth in this section when it makes a finding that the exemption of such classes or quantities of special nuclear material or such kinds of uses or users would not be inimical to the common defense and security and would not constitute an unreasonable risk to the health and safety of the public.".

SEC. 4. Section 81 of the Atomic Energy Act of 1954, as amended, is amended by deleting the word "licensees" and inserting in lieu thereof the words "qualified applicants" in the third sentence of such section and by deleting the fifth sentence of such section.

SEC. 5. Sections 123, 124, and 125 of the Atomic Energy Act of 1954, as amended, are amended by substituting the term "54 a." for the term "54.".

SEC. 6. Subsection 153. h of the Atomic Energy Act of 1954, as amended, is amended by striking the figure "1974" and substituting therefore the figure "1979".

SEC. 7. Subsection 161. i of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"i. prescribe such regulations or orders as it may deem necessary (1) to protect Restricted Data received by any person in connection with any activity authorized pursuant to this Act, (2) to guard against the loss or diversion of any special nuclear material acquired by any person pursuant to section 53 or produced by any person in connection with any activity authorized pursuant to this Act, to prevent any use or disposition thereof which the Commission may determine to be inimical to the common defense and security, including regulations or orders designating activities, involving quantities of special nuclear material which in the opinion of the Commission are important to the common defense and security, that may be conducted only by persons whose character, associations and loyalty shall have been investigated under standards and specifications established by the Commission and as to whom the Commission shall have determined that permitting each such person to conduct the activity will not be inimical to the common defense and security, and (3) to govern any activity authorized pursuant to this Act, including standards and restrictions governing the design, location, and operation of facilities used in the conduct of such activity, in order to protect health and to minimize danger to life or property;".

Mr. PRICE of Illinois (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Delete the proviso beginning on page 4, line 10 and ending on page 5, line 4, and substitute therefor the following provisos: *"Provided, however,* That, (i) notwithstanding this provision, the Commission is hereby authorized, subject to the provisions of section 123, to distribute to the Agency five thousand kilograms of contained uranium-235, five hundred grams of uranium-233, and three kilograms of plutonium, together with the amounts of special nuclear material which will match in amount the sum of all quantities of special nuclear materials made available by all other members of the Agency to June 1, 1960; and (ii) notwithstanding the foregoing provisions of this subsection, the Commission may distribute to the International Atomic Energy Agency, or to any group of nations, such other amounts of special nuclear materials and for such other periods of time as are established in writing by the Commission: *Provided, however,* that before they are established by the Commission pursuant to this subdivision (ii), such proposed amounts and periods shall be submitted to the Congress and referred to the Joint Committee and a period of sixty days shall elapse while Congress is in session (in computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days); and *Provided, further,* that any such proposed amounts and periods shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed action; and *Provided, further,* that prior to the elapse of the first thirty days of any such sixty-day period the Joint Committee shall submit a report to the Congress of its views and recommendations respecting the proposed amounts and periods and an accompanying proposed concurrent resolution stating in substance that the Congress favors, or does not favor, as the case may be, the proposed amounts or periods."

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

The CHAIRMAN. Evidently a quorum is not present.

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

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

AMENDMENT OFFERED BY MR. LONG OF MARYLAND TO THE COMMITTEE AMENDMENT

Mr. LONG of Maryland. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. LONG of Maryland to the committee amendment: On page 5, line 18 strike out all after "periods of time" until page 6, line 12 and insert in lieu thereof the following: "as are given specific prior approval by Act of Congress".

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

The CHAIRMAN. The Chair will count.

Sixty-nine Members are present, not a quorum. The call will be taken by electronic device.

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

[Roll No. 432]

Adams	Fraser	Podell
Aspin	Frey	Quillen
Badillo	Fulton	Railsback
Beard	Gibbons	Rarick
Brasco	Gray	Rees
Brooks	Green, Oreg.	Reid
Butler	Griffiths	Rinaldo
Carey, N.Y.	Gubser	Roncalio, Wyo.
Carter	Gunter	Rooney, N.Y.
Chisholm	Hansen, Idaho	Ryan
Clark	Hansen, Wash.	Satterfield
Clay	Hébert	Schneebeli
Conyers	Heinz	Shuster
Coughlin	Holifield	Stanton, James V.
Crane	Jones, Ala.	Steed
Culver	Jones, Okla.	Steiger, Ariz.
Davis, Ga.	Jones, Tenn.	Symington
de la Garza	Kuykendall	Teague
Dent	Landrum	Thone
Dickinson	Leggett	Tiernan
Diggs	McSpadden	Udall
Dorn	Madden	Ullman
Downing	Mathis, Ga.	Wampler
Drinan	Minshall, Ohio	Wilson, Charles H., Calif.
Esch	Murphy, N.Y.	
Evans, Colo.	Nichols	
Evins, Tenn.	Obey	
Fisher	Owens	
Flynt	Pike	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HUNGATE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 15416, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 352 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Chairman, I ask unanimous consent that the amendment which I have offered to the committee amendment be re-read.

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

There was no objection.

The CHAIRMAN. The Clerk will re-read the amendment offered by the gentleman from Maryland (Mr. LONG) to the committee amendment.

The Clerk re-read the amendment to the committee amendment, as follows:

Amendment offered by Mr. LONG of Maryland to the committee amendment: On page 5, line 18, strike out all after "periods of time" until page 6, line 12, and insert in lieu thereof the following: "as are given specific prior approval by Act of Congress".

Mr. LONG of Maryland. Mr. Chairman, all my amendment does it to conform the procedure of congressional control with respect to the transfer of certain amounts of special nuclear material to the procedure established by my amendment offered yesterday with respect to international nuclear agreements.

The amendment offered yesterday required congressional approval before any further international agreements can take place with respect to sales of nuclear reactors and materials. My amendment today does the same thing with respect to the transfer of certain amounts of special nuclear material to the International Atomic Energy Agency.

Let me point out that the Joint Committee is proposing to conform to the procedure is suggested in H.R. 15582, allowing congressional veto by concurrent resolution. All my amendment does is insure that we adopt the same procedure for sales to IAEA and as this House approved yesterday for bilateral agreements. If we do not adopt my conforming amendment, there will exist a sizable loophole by which the President could export nuclear fuel with very limited congressional check.

There presently exists a very broad agreement with the International Atomic Energy Agency under which reactors and fuel can be sold to third countries.

The Joint Atomic Energy Committee amendment would allow unlimited nuclear fuel to be transferred to the IAEA, and then to third countries, with only a flimsy check of the veto by resolution, which this House rejected yesterday.

We have no control over reactors supplied to third countries through the IAEA, and if the committee amendment is not made to conform with the controls we approved yesterday Congress will have only the weakest check on fuel transfers.

The committee is arguing that if we do not approve their bill, we will not have any bill, because the President will veto. I am pointing out that even if you have a bill, the committee bill is not worth a cent because when it starts to rain the roof will leak.

The concurrent resolution has absolutely no constitutional standing; if the President wants to veto it he can, because the Constitution says specifically that all concurrent resolutions must be signed by the President, and exempts only motions to adjourn and constitutional amendments. Those are the only exceptions. There has never been a case in which any court test has been made which would uphold the committee position.

I urge that the House support my amendment because it does what we tried to do yesterday, putting the Congress on record that we who represent the people of the United States want to have something to say about transfers of nuclear reactors and nuclear materials.

This amendment of mine closes a very important loophole. Let us get a test now. If the President vetoes it, at least we have made a confrontation now, and not someday when it might be much more important than it is at the present time.

I urge an "aye" vote for my amendment, and I yield back the balance of my time.

Mr. HOSMER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Maryland (Mr. LONG).

Mr. HOSMER. Mr. Chairman, I think that we must make a distinct distinction between what we are dealing with today and what we were dealing with yesterday. Then maybe the gentleman from Maryland (Mr. LONG) will understand what he is trying to do here.

Yesterday we were dealing with approvals for agreement for cooperation under which there would be traffic between the United States and some other country in nuclear fuel, nuclear reactors, and a whole host of nuclear-related items. What we are talking about today, I would say to my friend, the gentleman from Maryland, is something entirely different. It is entirely different. We already have the agreement for cooperation with Euratom, and with the International Atomic Energy Agency. What we are talking about is approvals for transaction in nuclear fuel for those reactors under existing agreements.

If the amendment offered by the gentleman from Maryland (Mr. LONG) should pass, anytime anybody wants to fuel an additional nuclear reactor that is under the IAEA or the Euratom safeguards, he is going to have to come to Congress and get an act of Congress in order to fuel a peaceful reactor. This is the most ridiculous nitpicking that I have ever heard of. These people who need to fuel their reactors do not get it from us free. They bring their own uranium. They haul it from wherever around the world they are and bring it over to one of our enrichment plants, either at Portsmouth, Paducah, or Oak Ridge, and pay a lot of money to us to turn it into what is known as nuclear fuel or special nuclear material. They take it back and put it into their reactors. This is entirely a business transaction.

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

Mr. HOSMER. I think the gentleman has had plenty of time to mess this up, but I will yield to him.

Mr. LONG of Maryland. The gentleman from California, I think, is throwing a red herring across the path here.

Mr. HOSMER. I decline to yield further. I do not tolerate language like that. There are some people on the floor who know what they are doing, and there are some who do not know what they are doing.

Mr. Chairman, I ask that the amendment be defeated, and I yield back the balance of my time.

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

Mr. Chairman, this seems a little bit like a replay of what happened yesterday. As I recall, yesterday the House expressed its will rather clearly on this subject matter about whether or not we are going to have nuclear materials, nuclear technology, atomic piles, and other things distributed around the world without the consent of Congress. Now, lo and behold, the same committee that lost on that amendment yesterday is before us with another piece of legislation which would undo the clearly expressed will of the House yesterday.

So the Members will know what is before us and what we are involved in, the question before this body is whether or not nuclear materials, nuclear technology, and other kinds of nuclear devices are going to be distributed around the world without the prior consent of Congress. Fortunately, the gentleman from Maryland (Mr. LONG) has had the prudence to rise and say, "No; the Congress should give its consent before this happens."

I am not dead opposed to the idea that this country should help other nations around the world in nuclear technology, with fissionable materials, and the construction of facilities to be used for the peaceful utilization of atomic energy. That is all for the good, but I am not certain that, if we give nuclear technology and material to India, it is going to benefit India. India just exploded a nuclear device. I am not fully satisfied that, if we give it to some of the less responsible countries in the world that the plutonium that we will be giving away is not going to show up in atomic bombs to be used somewhere else, perhaps even on the United States and on the citizens of this Nation.

I do think that in questions of this magnitude, facilities of this kind, the disposal of or gifts of material, technology, and nuclear generating facilities should be subject to the prior consent and approval of the Congress. That is the question that is before us, and I do not think that anyone having looked at the RECORD of yesterday and listened to the debate could come to the conclusion that the Congress or the House, at the time that we considered the legislation yesterday, was any different group. But, lo and behold, comes the Joint Committee on Atomic Energy, and I suspect that they either did not listen to the debate, or they are not aware of what transpired yesterday, or they are trying to undo the accomplishments of the House on yesterday. There is no chicanery here. It is just a simple question of whether or not we are going to have the prior consent of Congress.

So that we can have before us some facts on this matter, the making of an atomic bomb is a fairly simple undertaking. It falls almost into the general technological capability that might be called plumbing. It is not hard to make them any more, and it is thought now that there is a peril that maybe some of the private groups or regulars and extremists might be using this material for that kind of purpose.

This is material of intense poisonous characteristics and it has a half-life characteristic that goes on for thousands of years. As a matter of fact, to really cause mischief one does not need to make

an atomic bomb but one can make a bomb which would spread this stuff as fine dust around and it would kill millions of people for hundreds of years. That is the characteristic of the material we are discussing.

So I think the amendment offered by the gentleman from Maryland is a good amendment. I think the House should adopt the amendment.

While I am sympathetic with my friends and colleagues on the committee, and they are honorable men and they have done a good job over the years, I do not think it is too much to say that we ought not to give totally away the power of Congress over the gift of nuclear materials for peaceful uses of atomic energy. Certainly we should say that these kinds of materials ought to be subject, when they are to be made a gift, to the prior congressional approval. For this reason I think the amendment offered by the gentleman from Maryland (Mr. LONG) is a good one. It is my hope that my colleagues will join me in supporting that highly worthwhile amendment.

Mr. PRICE of Illinois. Mr. Chairman, the gentleman who just left the well said that this matter was clearly decided by the committee yesterday. I would like to call the gentleman's attention to the fact that it was decided by a vote of 194 to 191, which left considerable doubt in the minds of many people as to whether or not the right action was taken.

The gentleman also said that this was the same situation as or a replay of what we had yesterday. The gentleman in the first place just recently came to the floor and we have been debating this about an hour now, but this is not a replay of yesterday.

The amendment is the same but the substantive matter is entirely different. Yesterday we were talking about the spread of nuclear technology. Today we are talking about special nuclear materials for the International Agencies on Atomic Energy. The gentleman said we were doing this without the consent of the Congress. Congress has given its consent. We passed a special act to enable us to participate in the speical International Atomic Energy Agency and the benefit of our being in that is we have been able to persuade other nations of the world through the IAEA to adopt special safeguards.

There is no program where more emphasis was placed on safety and safeguards from the beginning of the program than in the atomic energy program. I know it is popular to come in and vote against nuclear reactors. They claim the nuclear reactors are going to blow up every day. But we have more than 45 power reactors in existence today in the United States. There are reactors spread around this country and the world. There are about 500 of them. One hundred of them were based on American technology. With all these reactors in operation there has not been a single nuclear incident that caused injury to any one single person.

What are we talking about? We are talking about cooperation among nations for the peaceful uses of atomic energy. We are talking about the atoms for peace program. The Congress gave its assent and approval and endorsement of that program and America took the lead in that program.

What we are doing here today is listening to the advocacy of some people who want to put a halt to that and put the brakes on the peaceful uses of atomic energy. I would hope the House would recognize the difference between the situation today and what it was yesterday. While that vote yesterday was decided very closely, I have had at least a dozen Members come to me today and say if they had that vote to do again today they would not vote the way they did.

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

Mr. PRICE of Illinois. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I voted yesterday to have Congress have a first look, and I voted against the gentleman from Illinois, my good and longtime friend, because I thought when we are giving a reactor to a country we ought to take a look at it, but the situation today is a different thing. This is an international agency to which we belong and we have been supporting it and it is not giving away a nuclear reactor to some country which can take it over or some dictator who can move in and grab it or military dictator who can move in and take over.

Comparing the two is like comparing apples and oranges. This is a totally different thing. I intend to support the gentleman from Illinois in his position.

Mr. PRICE of Illinois. Mr. Chairman, I hope that the committee this afternoon will vote down this amendment.

Mr. ECKHARDT. Mr. Chairman, I rise to ask the chairman of the committee about this amendment, because frankly I think the statement of the gentleman from Ohio does raise some questions. I notice that on page 3 of the bill in section 54 it is said:

> The Commission is authorized to cooperate with any nation or group of nations by distributing special nuclear material and to distribute such special nuclear material, pursuant to the terms of an agreement for cooperation to which such nation or group of nations is a party and which is made in accordance with section 123.

Will the gentleman affirm to me that section 123 is the section regulating the agreements that the Long amendment amended yesterday?

Mr. PRICE of Illinois. That is correct and the language the gentleman read is the existing law. The reason we bring it up is to bring it into line with some of the technical features that have beep changed in the act.

Mr. ECKHARDT. And then on page 5 it says further:

> *Provided, however,* That, (1) notwithstanding this provision, the Commission is hereby authorized, subject to the provisions of section 123, to distribute to the Agency.

And then it goes on with reference to the material; so all the provisions here are qualified on compliance of the agreement with section 123; is that not correct?

Mr. PRICE of Illinois. That is correct. This is the section that is being amended and we amended yesterday. The title I the gentleman read is also the existing law.

Mr. ECKHARDT. Then, Mr. Chairman, if any nuclear material is to be distributed under the act we have before us today, assuming the Long amendment of yesterday remains in effect, the agreement itself would have to be approved by Congress; would it not?

Mr. PRICE of Illinois. That is correct, if this amendment were adopted.

Mr. ECKHARDT. So even without the amendment the gentleman from Maryland (Mr. LONG) offers today, the agreement itself could not be made and no nuclear materials could be distributed unless Congress approved such agreement; is that correct?

Mr. PRICE of Illinois. That is correct.

Mr. ECKHARDT. But if the Long amendment is passed, there would have to be two levels of approval; first, the agreement, and Congress would have to act on the agreement. Then it would have to act specifically on the implementation of the agreement under this section; is that correct?

Mr. PRICE of Illinois. That is correct. The gentleman is correct in what he says.

Mr. ECKHARDT. I must say that the gentleman has clarified the matter for me. We would hope that the chairman would support in conference the Long amendment of yesterday, perhaps with some reasonable modification; but if that were done, it would seem to me it would be the better part of prudence not to include the Long amendment today.

Mr. PRICE of Illinois. In reference to the Long amendment yesterday, I do not know if the gentleman in the well and members of the committee know the full implications of the Long amendment. We are going to study it thoroughly. We are going to request the appropriate agency that might be affected by it what the effect might be. We are going to study it thoroughly. If we find it is not an acceptable amendment, naturally we will make alterations in it.

Mr. ECKHARDT. If the gentleman will respond also to this question or comment on this proposition: I understand the Long amendment dealt with all agree ments, whether they be agreements with countries already having nuclear capabilities or those which do not, for instance, the Arab countries. Would the gentleman see it feasible to use the strict qualifications of the Long amendment with respect to countries where nuclear materials are for the first time being introduced, and then perhaps to provide a more lenient provision similar to the bill that was offered yesterday with respect to supplying nuclear reactors to countries such as Britain, which have nuclear capacity already existing.

Mr. PRICE of Illinois. First of all, we do not supply nuclear reactors to Britain the same way that we do to many others, but I assure the gentleman that every agreement, regardless with what country, is submitted to the Congress, submitted to the Joint Committee.

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

(On the request of Mr. PRICE of Illinois and by unanimous consent Mr. ECKHARDT

was allowed to proceed for 1 additional minute.)

Mr. PRICE of Illinois. The minutes are printed in the CONGRESSIONAL RECORD. Everyone of them have been printed in the CONGRESSIONAL RECORD. Hearings have been held on most of them. I would say on 90 percent of them hearings have been held, and there has been ample opportunity for any Member of Congress to oppose any of these agreements.

Mr. ECKHARDT. I understand, then, that the gentleman is seriously concerned with the problem of the Long amendment?

Mr. PRICE of Illinois. Very seriously.

Mr. ECKHARDT. And he will consider seriously the question of giving this House realistic opportunity to determine whether or not nuclear capability goes to nations which do not now have it, and will assert that position in the conference committee?

Mr. PRICE of Illinois. I assure the gentleman from Texas that we will do so.

Mr. ECKHARDT. Upon that assurance, I feel that this amendment goes to another matter; goes to a secondary matter that can be protected by the Long amendment of yesterday.

Ms. ABZUG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there is a slight misstatement—not intentional, I am sure—in the last colloquy that took place. It is true that if one reads page 5(i) of the bill, the Commission is authorized to distribute to the Agency various amounts of special nuclear material, subject to the provisions of section 123.

The gentleman will note, however, that there is another provision on the same page 5—provision (ii) which says:

> Notwithstanding the foregoing provisions of this subsection, the Commission may distribute to the International Atomic Energy Agency, or to any group of nations, such other amounts of special nuclear material and for such periods of time as are established in writing by the Commission: *Provided, however,* That before they are established by the Commission pursuant to this subdivision (ii), such proposed amounts and periods shall be submitted to the Congress. . . . That any such proposed amounts and periods shall not become effective if . . . Congress passes a concurrent resolution stating in substance that the Congress does not favor the proposed action.

Thus, only the special nuclear material of provision (i) is subject to section 123 as amended by the Long amendment. Other amounts of special nuclear materials covered by (ii) are not similarly subject.

The situation is identical to yesterday. In H.R. 15582, the Joint Committee proposed that agreements of cooperation be subject to a congressional concurrent resolution of disapproval. The gentleman from Maryland (Mr. LONG) amended that to require affirmative congressional approval of agreements of cooperation.

In the bill we are considering today, the joint committee under (ii) again is proposing congressional disapproval by concurrent resolution and the gentleman from Maryland (Mr. LONG) seeks again to amend the committee amendment to require affirmative prior approval so that we do not get covered by section 123 at all.

Mr. Chairman, I would like the gentleman from Texas (Mr. ECKHARDT), in particular, to recognize that.

Mr. ECKHARDT. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I see what the gentlewoman is suggesting here. It would seem, at first glance, that this is something beyond the restrictions of section 123, but the gentleman from Illinois has assured me that the phrase "notwithstanding the foregoing provisions of this subsection" refers to the fuel limitations in section (i) preceding. Thus it in no way derogates from the requirement that any fuel distributions under this section must be within the terms of an agreement for cooperation under section 123, with the procedures we voted yesterday for such agreements.

Ms. ABZUG. You see, the Long amendment of today is beyond the scope of section 123. I think our colleagues here were given the wrong impression. If they will read the amendment offered by the gentleman from Maryland (Mr. LONG), they will see that he merely proposes to require prior approval by an act of Congress in place of what the committee amendment suggests, which is subsequent disapproval. This is exactly the same situation we were in yesterday.

Mr. Chairman, I would emphasize two things for the consideration of the Members of the Committee: First, we will not be protected under section 123 of the Atomic Energy Act should the Long amendment not remain in conference.

Second, if the Committee itself sees the necessity to have agreements for such materials be subject to disapproval by the Congress, then those who voted for the Long amendment yesterday requiring prior approval of the Congress should also support the Long amendment today. I hope the situation is much clearer now.

Mr. HOSMER. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from California.

Mr. HOSMER. We are not talking about nuclear technology or a whole slew of things, talking about an agreement of cooperation requiring approval of Congress. All we are talking about is nuclear fuel for a peaceful nuclear reactor and an existing agreement. To require an act of Congress which has to be passed every time we wanted fuel for a nuclear reactor would simply put this out of business.

What would happen is that the business would go to other countries who do not oppose safeguards.

Ms. ABZUG. As I said before, it is you and your Joint Committee on page 5 who seek an amendment providing for the Congress to act if it does not favor the proposed amounts and periods with respect to special nuclear materials.

All the Long amendment provides is that there be prior affirmative approval. So we are in exactly the same situation.

As I said to the gentleman yesterday, please do not confuse us simple people.

This is the essence of what we voted on yesterday. Those who wish to vote in support of what they believed yesterday would, I think, have to vote the same way today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. LONG) to the committee amendment.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LONG of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 88, noes 298, not voting 48, as follows:

[Roll No. 433]

AYES—88

Abzug	Harrington	Reid
Addabbo	Hawkins	Riegle
Anderson, Calif.	Hechler, W. Va.	Rodino
Aspin	Heckler, Mass.	Roe
Badillo	Helstoski	Rogers
Bennett	Holtzman	Rosenthal
Biaggi	Howard	Roush
Bingham	Kastenmeier	Roybal
Boggs	Koch	Ryan
Brademas	Kyros	Sarbanes
Brown, Calif.	Leggett	Schroeder
Burke, Calif.	Lehman	Seiberling
Burton, John	Long, Md.	Staggers
Burton, Phillip	Luken	Stark
Conte	Melcher	Stokes
Cronin	Metcalfe	Stuckey
Daniels, Dominick V.	Mezvinsky	Steelman
Dellums	Miller	Studds
Denholm	Minish	Thompson, N.J.
Dingell	Mink	Tiernan
Drinan	Mitchell, Md.	Traxler
Edwards, Calif.	Mizell	Vander Veen
Eilberg	Moakley	Vanik
Fascell	Murphy, N.Y.	Waldie
Ford	Nedzi	Wilson, Charles H., Calif.
Grasso	Nix	Wilson, Charles, Tex.
Green, Pa.	O'Hara	Yates
Grover	Randall	Young, Ga.
Gude	Rangel	
	Rarick	
	Rees	

NOES—298

Abdnor	Chappell	Frenzel
Adams	Clancy	Frey
Alexander	Clark	Froehlich
Anderson, Ill.	Clawson, Del	Fuqua
Andrews, N.C.	Cleveland	Gaydos
Andrews, N. Dak.	Cochran	Gettys
Annunzio	Cohen	Giaimo
Archer	Collier	Gibbons
Arends	Collins, Ill.	Gilman
Armstrong	Collins, Tex.	Ginn
Ashley	Conable	Goldwater
Bafalis	Conlan	Gonzalez
Baker	Corman	Goodling
Barrett	Cotter	Gray
Bauman	Coughlin	Gross
Bell	Crane	Gubser
Bergland	Daniel, Dan	Guyer
Bevill	Daniel, Robert W., Jr.	Haley
Blackburn	Danielson	Hamilton
Blatnik	Davis, S.C.	Hammer-schmidt
Boland	Davis, Wis.	Hanley
Bolling	Delaney	Hanna
Bowen	Dellenback	Hanrahan
Bray	Dennis	Harsha
Breaux	Derwinski	Hastings
Breckinridge	Devine	Hays
Brinkley	Dickinson	Heinz
Brooks	Dorn	Henderson
Broomfield	Dulski	Hicks
Brown, Mich.	Duncan	Hillis
Brown, Ohio	du Pont	Hinshaw
Broyhill, N.C.	Eckhardt	Hogan
Broyhill, Va.	Edwards, Ala.	Holt
Buchanan	Erlenborn	Horton
Burgener	Esch	Hosmer
Burke, Fla.	Eshleman	Huber
Burke, Mass.	Findley	Hudnut
Burleson, Tex.	Fish	Hungate
Burlison, Mo.	Flood	Hunt
Butler	Flowers	Hutchinson
Byron	Flynt	Ichord
Camp	Foley	Jarman
Carney, Ohio	Forsythe	Johnson, Calif.
Casey, Tex.	Fountain	Johnson, Colo.
Cederberg	Fraser	Johnson, Pa.
Chamberlain	Frelinghuysen	Jones, N.C.

Jordan	Nelsen	Stanton,
Karth	Nichols	J. William
Kazen	Obey	Stanton,
Kemp	O'Brien	James V.
Ketchum	Parris	Steed
King	Passman	Steele
Kluczynski	Patman	Steiger, Wis.
Lagomarsino	Patten	Stephens
Landgrebe	Pepper	Stratton
Latta	Perkins	Stubblefield
Lent	Pettis	Sullivan
Litton	Peyser	Symms
Long, La.	Pickle	Talcott
Lott	Pike	Taylor, Mo.
Lujan	Poage	Taylor, N.C.
McClory	Powell, Ohio	Teague
McCloskey	Preyer	Thomson, Wis.
McCollister	Price, Ill.	Thone
McCormack	Price, Tex.	Thornton
McDade	Pritchard	Towell, Nev.
McEwen	Quie	Treen
McFall	Railsback	Udall
McKay	Regula	Van Deerlin
McKinney	Reuss	Vander Jagt
Macdonald	Rhodes	Veysey
Madden	Rinaldo	Vigorito
Madigan	Roberts	Waggonner
Mahon	Robinson, Va.	Walsh
Mallary	Robison, N.Y.	Wampler
Mann	Roncallo, N.Y.	Ware
Maraziti	Rooney, Pa.	Whalen
Martin, Nebr.	Rose	White
Martin, N.C.	Rostenkowski	Whitehurst
Mathias, Calif.	Rousselot	Whitten
Mathis, Ga.	Roy	Widnall
Matsunaga	Runnels	Wiggins
Mayne	Ruth	Wilson, Bob
Mazzoli	St Germain	Winn
Meeds	Sandman	Wolff
Michel	Sarasin	Wright
Milford	Satterfield	Wyatt
Mills	Scherle	Wydler
Mitchell, N.Y.	Sebelius	Wylie
Mollohan	Shipley	Wyman
Montgomery	Shoup	Yatron
Moorhead, Calif.	Shriver	Young, Alaska
	Shuster	Young, Fla.
Moorhead, Pa.	Sikes	Young, Ill.
Morgan	Sisk	Young, S.C.
Mosher	Skubitz	Young, Tex.
Moss	Slack	Zablocki
Murphy, Ill.	Smith, Iowa	Zion
Murtha	Smith, N.Y.	Zwach
Myers	Snyder	
Natcher	Spence	

NOT VOTING—48

Ashbrook	Donohue	Landrum
Beard	Downing	McSpadden
Biester	Evans, Colo.	Minshall, Ohio
Brasco	Evins, Tenn.	O'Neill
Brotzman	Fisher	Owens
Carey, N.Y.	Fulton	Podell
Carter	Green, Oreg.	Quillen
Chisholm	Griffiths	Roncalio, Wyo.
Clausen, Don H.	Gunter	Rooney, N.Y.
	Hansen, Idaho	Ruppe
Clay	Hansen, Wash.	Schneebeli
Conyers	Hébert	Steiger, Ariz.
Culver	Holifield	Symington
Davis, Ga.	Jones, Ala.	Ullman
de la Garza	Jones, Okla.	Williams
Dent	Jones, Tenn.	
Diggs	Kuykendall	

So the amendment to the committee amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MS. ABZUG

Ms. ABZUG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. ABZUG: Page 10, insert immediately after line 8 the following:

SEC. 8. Atomic Energy Act of 1954 as amended is amended by inserting after Section 125 the following new section:

"SEC. 126. Notwithstanding the provisions of this Act, neither the Commission nor any person or agency of the United States shall export from the United States for delivery to or use by or within any foreign nation or regional defense organization any special nuclear material, source material, by-product material, production facility or any license to manufacture said facility, utilization facility or any license to manufacture said facility restricted data or any other material or information that can be used, directly or indirectly, to produce any special nuclear material, source material or by-product material unless said foreign nation or each member nation of said regional defense organization, as the case may be, has signed and ratified both the NonProliferation of Nuclear Weapons Treaty of 1968 and the Partial Test Ban Treaty of 1963."

Ms. ABZUG. Mr. Chairman, if we are to effectively regulate the exportation of nuclear materials, we must establish certain minimum safeguard standards to prevent nuclear proliferation. My amendment does just that.

By prohibiting the exportation of nuclear materials and technology to nations that have failed to ratify the Nonproliferation of Nuclear Weapons Treaty of 1968, we are guaranteeing that all nuclear exports will at least be subject to IAEA inspections and safeguards.

During testimony before a subcommittee of this House, three experts in nuclear weaponry and reactor technology testified that, unless both the exporting and importing countries have ratified the NPT, effective international controls are impossible. Specifically, the United States bound itself to insist upon IAEA safeguards over any sensitive nuclear equipment or materials it supplies when it signed and ratified the treaty. But these safeguards and controls apply only to the facilities and materials actually supplied, and not to all the nuclear hardware operated by a recipient non-party state.

A Middle Eastern nonparty country could receive assistance from the United States under IAEA safeguards and collateral aid from a state that has not ratified the NPT. Such collateral aid could take the form of a chemical separation plant for extracting plutonium from the spent fuel rods, or it could take the form of enriched uranium to be used in conjunction with some U.S.-supplied hardware. In either event, the IAEA would not have jurisdiction over either the supplying country or the recipient country. And in both cases, the recipient nation could build bombs without meaningful IAEA intervention or knowledge.

Moreover, Dr. Willrich, of the University of Virginia, noted while testifying before a House subcommittee that IAEA inspection teams have met with serious resistance while attempting to police facilities supplied by member countries, but which are located in nonmember countries. A case in point is India—a country which is not a party to the NPT. The Indian Government refused to permit the inspection team to examine the CANDU reactor. It was this reactor that generated the plutonium that the Indians used in their nuclear device.

My suggestion is that unless we begin to tighten up and make requirements to the nations to whom we give materials that they become signatories and ratifiers of the Nonproliferation Nuclear Treaty of 1968 and the partial Test Ban Treaty of 1963, we are just creating a serious danger and havoc to all countries of the world and all the peoples of the world.

I would hope we would support this amendment.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is just one more example of ignorance in action.

I hope we are all aware of what the facts in this case are.

Ms. ABZUG. Mr. Chairman, I rise to make a point of personal privilege.

Mr. McCORMACK. Mr. Chairman, I do not yield. I have not impugned the lady. Ignorance in this context means that a person doesn't know what he or she is talking about.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. No, I will not yield.

Ms. ABZUG. I am glad to see the gentleman knows what he is talking about.

Mr. McCORMACK. Let me point out to the gentlewoman and to the members of the Committee what the gentlewoman would do with her amendment. The gentlewoman would prohibit this country from selling, for instance, medical isotopes, industrial isotopes, nuclear material for agricultural research, nuclear material for medical pacemakers, and nuclear material for artificial hearts, to the following countries:

The Philippines, the Netherlands, Luxembourg, Egypt, Israel, Japan, France, Australia, Belgium, Indonesia, and Italy, to name some.

None of these countries have signed a nuclear nonproliferation treaty. I do not know what motivation they have for not signing, but I presume it is that since they are not making weapons and do not possess nuclear weapons and since they are not making nuclear weapons, they obviously have no interest in selling weapons to anybody else; so they have, for their own reasons, decided not to sign a treaty that they will not transfer them. Yet all these countries are in need of the peaceful benefits of nuclear energy, such as would be prohibited under this amendment. Remember: this amendment prohibits not only the export and sale of special nuclear materials such as plutonium and uranium for reactors, but also source material and byproduct material, that is, all these isotopes used for all these peaceful nonmilitary purposes.

This is just one example of not understanding what one is trying to do, and no matter how sincere the gentlewoman may be, I suggest that we reject the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. ABZUG).

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. HUNGATE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 15416) to amend the Atomic

Energy Act of 1964, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes, pursuant to House Resolution 1225, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SCHERLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. 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 377, nays 6, not voting 51, as follows:

[Roll No. 434]

YEAS—377

Abdnor	Casey, Tex.	Forsythe
Adams	Cederberg	Fountain
Addabbo	Chamberlain	Fraser
Alexander	Chappell	Frelinghuysen
Anderson, Calif.	Clancy	Frenzel
	Clark	Frey
Anderson, Ill.	Clausen, Don H.	Froehlich
Andrews, N.C.		Fuqua
Andrews, N. Dak.	Clawson, Del	Gaydos
	Cleveland	Gettys
Annunzio	Cochran	Giaimo
Archer	Cohen	Gilman
Arends	Collier	Ginn
Armstrong	Collins, Ill.	Goldwater
Ashley	Collins, Tex.	Gonzalez
Aspin	Conable	Goodling
Badillo	Conlan	Grasso
Bafalis	Conte	Gray
Baker	Corman	Green, Pa.
Barrett	Cotter	Gross
Bauman	Coughlin	Grover
Bell	Crane	Gubser
Bergland	Cronin	Gude
Bevill	Daniel, Dan	Guyer
Biaggi	Daniel, Robert W., Jr.	Haley
Biester		Hamilton
Bingham	Daniels, Dominick V.	Hammer-schmidt
Blackburn		
Blatnik	Danielson	Hanley
Boggs	Davis, S.C.	Hanna
Boland	Davis, Wis.	Hanrahan
Bolling	Delaney	Harsha
Bowen	Dellenback	Hastings
Brademas	Denholm	Hawkins
Bray	Dennis	Hays
Breaux	Derwinski	Hechler, W. Va.
Breckinridge	Devine	Heckler, Mass.
Brinkley	Dickinson	Heinz
Brooks	Dingell	Helstoski
Broomfield	Dorn	Henderson
Brotzman	Drinan	Hicks
Brown, Calif.	Dulski	Hillis
Brown, Mich.	Duncan	Hinshaw
Brown, Ohio	du Pont	Hogan
Broyhill, N.C.	Eckhardt	Holt
Broyhill, Va.	Edwards, Ala.	Holtzman
Buchanan	Edwards, Calif.	Horton
Burgener	Eilberg	Hosmer
Burke, Calif.	Erlenborn	Howard
Burke, Fla.	Esch	Huber
Burke, Mass.	Eshleman	Hudnut
Burleson, Tex.	Fascell	Hungate
Burlison, Mo.	Findley	Hunt
Burton, John	Fish	Hutchinson
Burton, Phillip	Flood	Ichord
Butler	Flowers	Jarman
Byron	Flynt	Johnson, Calif.
Camp	Foley	Johnson, Colo.
Carney, Ohio	Ford	Johnson, Pa.
Jones, N.C.	Nix	Stanton, J. William
Jordan	Obey	
Karth	O'Brien	Stanton, James V.
Kastenmeier	O'Hara	
Kazen	Parris	Stark
Kemp	Passman	Steed
Ketchum	Patman	Steele
King	Patten	Steelman
Kluczynski	Pepper	Steiger, Wis.
Koch	Perkins	Stephens
Kyros	Pettis	Stokes
Lagomarsino	Peyser	Stratton
Landgrebe	Pickle	Stubblefield
Latta	Pike	Stuckey
Leggett	Poage	Studds
Lehman	Powell, Ohio	Sullivan
Lent	Preyer	Symms
Long, La.	Price, Ill.	Talcott
Lott	Price, Tex.	Taylor, Mo.
Lujan	Pritchard	Taylor, N.C.
Luken	Quie	Teague
McClory	Railsback	Thompson, N.J.
McCloskey	Randall	Thomson, Wis.
McCollister	Rangel	Thone
McCormack	Rarick	Thornton
McDade	Rees	Tiernan
McEwen	Regula	Towell, Nev.
McFall	Reuss	Traxler
McKay	Rhodes	Treen
McKinney	Riegle	Udall
Macdonald	Rinaldo	Van Deerlin
Madden	Roberts	Vander Jagt
Madigan	Robinson, Va.	Vander Veen
Mahon	Robison, N.Y.	Vanik
Mallary	Rodino	Veysey
Mann	Roe	Vigorito
Maraziti	Rogers	Waggonner
Martin, Nebr.	Roncallo, N.Y.	Waldie
Martin, N.C.	Rooney, Pa.	Walsh
Mathias, Calif.	Rose	Wampler
Mathis, Ga.	Rosenthal	Ware
Matsunaga	Rostenkowski	Whalen
Mayne	Roush	White
Mazzoli	Rousselot	Whitehurst
Meeds	Roy	Whitten
Melcher	Roybal	Widnall
Mezvinsky	Runnels	Wiggins
Michel	Ruth	Wilson, Bob
Milford	Ryan	Wilson, Charles H., Calif.
Miller	St Germain	
Mills	Sandman	
Minish	Sarasin	Wilson, Charles, Tex.
Mink	Sarbanes	
Mitchell, N.Y.	Satterfield	Winn
Mizell	Scherle	Wolff
Moakley	Schroeder	Wright
Montgomery	Sebelius	Wyatt
Moorhead, Calif.	Seiberling	Wydler
	Shipley	Wylie
Moorhead, Pa.	Shoup	Wyman
Morgan	Shriver	Yates
Mosher	Shuster	Yatron
Moss	Sisk	Young, Alaska
Murphy, Ill.	Skubitz	Young, Fla.
Murphy, N.Y.	Slack	Young, Ga.
Murtha	Smith, Iowa	Young, Ill.
Myers	Smith, N.Y.	Young, S.C.
Natcher	Snyder	Young, Tex.
Nedzi	Spence	Zablocki
Nelsen	Staggers	Zion
Nichols		Zwach

NAYS—6

Abzug	Dellums	Long, Md.
Bennett	Harrington	Mitchell, Md.

NOT VOTING—51

Ashbrook	Fisher	Metcalfe
Beard	Fulton	Minshall, Ohio
Brasco	Gibbons	Mollohan
Carey, N.Y.	Green, Oreg.	O'Neill
Carter	Griffiths	Owens
Chisholm	Gunter	Podell
Clay	Hansen, Idaho	Quillen
Conyers	Hansen, Wash.	Reid
Culver	Hébert	Roncalio, Wyo.
Davis, Ga.	Holifield	Rooney, N.Y.
de la Garza	Jones, Ala.	Ruppe
Dent	Jones, Okla.	Schneebeli
Diggs	Jones, Tenn.	Sikes
Donohue	Kuykendall	Steiger, Ariz.
Downing	Landrum	Symington
Evans, Colo.	Litton	Ullman
Evins, Tenn.	McSpadden	Williams

So the bill was passed.

The Clerk announced the following pairs:

Mr. O'Neill with Mr. Reid.
Mr. Carey of New York with Mr. Fisher.
Mr. de la Garza with Mrs. Green of Oregon.
Mr. Hébert with Mrs. Griffiths.
Mr. Donohue with Mr. Gunter.
Mr. Evins of Tennessee with Mrs. Hansen of Washington.
Mr. Dent with Mr. Holifield.
Mr. Roncalio of Wyoming with Mr. McSpadden.
Mr. Evans of Colorado with Mr. Mollohan.
Mr. Rooney of New York with Mr. Quillen.
Mr. Sikes with Mr. Kuykendall.
Mr. Symington with Mrs. Chisholm.
Mr. Jones of Alabama with Mr. Ashbrook.
Mr. Fulton with Mr. Ruppe.
Mr. Jones of Oklahoma with Mr. Beard.
Mr. Diggs with Mr. Brasco.
Mr. Jones of Tennessee with Mr. Minshall of Ohio.
Mr. Culver with Mr. Conyers.
Mr. Podell with Mr. Clay.
Mr. Owens with Mr. Metcalfe.
Mr. Landrum with Mr. Carter.
Mr. Litton with Mr. Schneebeli.
Mr. Downing with Mr. Steiger of Arizona.
Mr. Davis of Georgia with Mr. Williams.
Mr. Ullman with Mr. Gibbons.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed, H.R. 15416.

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

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's table a similar Senate bill (S. 3669) to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 3669

An act to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Atomic Weapons Rewards Act of 1955 is amended as follows:

(a) The initial section of the Act is amended by striking out the words "Atomic Weapons Rewards Act of 1955" and by substituting in lieu thereof "Atomic Weapons and Special Nuclear Materials Rewards Act."

(b) Sections 2, 3, and 5 of the Act are amended to read as follows:

"SEC. 2. Any person who furnishes original information to the United States—

"(a) leading to the finding or other acquisition by the United States of special nuclear material or an atomic weapon which has been introduced into the United States or manufactured or acquired therein contrary to the laws of the United States, or

"(b) with respect to the introduction or attempted introduction into the United States or the manufacture or acquisition or attempted manufacture or acquisition of, or a conspiracy to introduce into the United States or to manufacture or acquire, special nuclear material or an atomic weapon contrary to the laws of the United States, or

"(c) with respect to the export or attempted export, or a conspiracy to export, special nuclear material or an atomic weapon from the United States contrary to the laws of the United States,

shall be rewarded by the payment of an amount not to exceed $500,000.

"SEC. 3. The Attorney General shall determine whether a person furnishing information to the United States is entitled to a reward and the amount to be paid pursuant to section 2. Before making a reward under this section the Attorney General shall advise and consult with the Atomic Energy Commission. A reward of $50,000 or more may not be made without the approval of the President.".

"SEC. 5. (a) The Attorney General is authorized to hold such hearings and make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this Act.

"(b) A determination made by the Attorney General under section 3 of this Act shall be final and conclusive and no court shall have power or jurisdiction to review it.".

(c) Section 6 of the Act is amended by deleting the words "Awards Board" and by substituting in lieu thereof the words "Attorney General".

SEC. 2. Section 54 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"SEC. 54. FOREIGN DISTRIBUTION OF SPECIAL NUCLEAR MATERIAL.—a. The Commission is authorized to cooperate with any nation or group of nations by distributing special nuclear material and to distribute such special nuclear material, pursuant to the terms of an agreement for cooperation to which such nation or group of nations is a party and which is made in accordance with section 123. Unless hereafter otherwise authorized by law the Commission shall be compensated for special nuclear material so distributed at not less than the Commission's published charges applicable to the domestic distribution of such material, except that the Commission to assist and encourage research on peaceful uses or for medical therapy may so distribute without charge during any calendar year only a quantity of such material which at the time of transfer does not exceed in value $10,000 in the case of one nation or $50,000 in the case of any group of nations. The Commission may distribute to the International Atomic Energy Agency, or to any group of nations, only such amounts of special nuclear materials and for such period of time as are authorized by Congress: *Provided, however,* That, (i) notwithstanding this provision, the Commission is hereby authorized, subject to the provisions of section 123, to distribute to the Agency five thousand kilograms of contained uranium-235, five hundred grams of uranium-233, and three kilograms of plutonium, together with the amounts of special nuclear material which will match in amount the sum of all quantities of special nuclear materials made available by all other members of the Agency to June 1, 1960; and (ii) notwithstanding the foregoing provisions of this subsection, the Commission may distribute to the International Atomic Energy Agency, or to any group of nations, such other amounts of special nuclear materials and for such other periods of time as are established in writing by the Commission: *Provided, however,* That before they are established by the Commission pursuant to this subdivision (ii), such proposed amounts and periods shall be submitted to the Congress and referred to the Joint Committee and a period of sixty days shall elapse while Congress is in session (in computing such sixty days, there shall be excluded the days on which either House is not in session because of an adjournment of more than three days): *And provided further,* That any such proposed amounts and periods shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed action: *And provided further,* That prior to the elapse of the first thirty days of any such sixty-day period the Joint Committee shall submit a report to the Congress of its views and recommendations respecting the proposed amounts and periods and an accompanying proposed concurrent resolution stating in substance that the Congress favors, or does not favor, as the case may be, the proposed amounts or periods. The Commission may agree to repurchase any special nuclear material distributed under a sale arrangement pursuant to this subsection which is not consumed in the course of the activities conducted in accordance with the agreement for cooperation, or any uranium remaining after irradiation of such special nuclear material, at a repurchase price not to exceed the Commission's sale price for comparable special nuclear material or uranium in effect at the time of delivery of such material to the Commission. The Commission may also agree to purchase, consistent with and within the period of the agreement for cooperation, special nuclear material produced in a nuclear reactor located outside the United States through the use of special nuclear material which was leased or sold pursuant to this subsection. Under any such agreement the Commission shall purchase only such material as is delivered to the Commission during any period when there is in effect a guaranteed purchase price for the same material produced in a nuclear reactor by a person licensed under section 104, established by the Commission pursuant to section 56, and the price to be paid shall be the price so established by the Commission and in effect for the same material delivered to the Commission.

"b. Notwithstanding the provisions of sections 123, 124, and 125, the Commission is authorized to distribute to any person outside the United States (1) plutonium containing 80 per centum or more by weight of plutonium-238, and (2) other special nuclear material when it has, in accordance with subsection 57d., exempted certain classes or quantities of such other special nuclear material or kinds of uses or users thereof from the requirements for a license set forth in this chapter. Unless hereafter otherwise authorized by law, the Commission shall be compensated for special nuclear material so distributed at not less than the Commission's published charges applicable to the domestic distribution of such material. The Commission shall not distribute any plutonium containing 80 per centum or more by weight of plutonium-238 to any person under this subsection if, in its opinion, such distribution would be inimical to the common defense and security. The Commission may require such reports regarding the use of material distributed pursuant to the provisions of this subsection as it deems necessary.

"c. The Commission is authorized to license or otherwise permit others to distribute special nuclear material to any person outside the United States under the same conditions, except as to charges, as would be applicable if the material were distributed by the Commission.".

SEC. 3. Section 57 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following new subsection:

"d. The Commission is authorized to establish classes of special nuclear material and to exempt certain classes or quantities of special nuclear material or kinds of uses or users from the requirements for a license set forth in this section when it make a finding that the exemtpion of such classes or quantities of special nuclear material or such kinds of uses or users would not be inimical to the common defense and security and would not constitute an unreasonable risk to the health and safety of the public.".

SEC. 4. Section 81 of the Atomic Energy Act of 1954, as amended, is amended by deleting the word "licensees" and inserting in lieu thereof the words "qualified applicants" in the third sentence of such section and by deleting the fifth sentence of such section.

SEC. 5. Sections 123, 124, and 125 of the Atomic Energy Act of 1954, as amended, are amended by substituting the term "54 a." for the term "54.".

SEC. 6. Subsection 153. h of the Atomic Energy Act of 1954, as amended, is amended by striking the figure "1974" and substituting therefor the figures "1979".

SEC. 7. Subsection 161. i of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"i. prescribe such regulations or orders as it may deem necessary (1) to protect Restricted Data received by any person in connection with any activity authorized pursuant to this Act, (2) to guard against the loss or diversion of any special nuclear material acquired by any person pursuant to section 53 or produced by any person in connection with any activity authorized pursuant to this Act, to prevent any use or disposition thereof which the Commission may determine to be inimical to the common defense and security, including regulations or orders designating activities, involving quantities of special nuclear material which in the opinion of the Commission are important to the common defense and security, that may be conducted only by persons whose character, associations, and loyalty shall have been investigated under standards and specifications established by the Commission and as to whom the Commission shall have determined that permitting each such person to conduct the activity will not be inimical to the common defense and security, and (3) to govern any activity authorized pursuant to this Act, including standards and restrictions governing the design, location, and operation of facilities used in the conduct of such activity, in order to protect health and to minimize danger to life or property;".

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

A similar House bill, H.R. 15416, was laid on the table.

CONFERENCE REPORT ON S. 2296, FOREST AND RANGELAND RENEWABLE RESOURCES PLANNING ACT OF 1974

Mr. RARICK. Mr. Speaker, I call up the conference report on the Senate bill (S. 2296) to provide for the Forest Service, Department of Agriculture, to protect, develop, and enhance the environment of certain of the Nation's lands and resources, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the statement.

[For conference report and statement, see proceedings of the House of July 25, 1974.]

Mr. RARICK (during the reading). Mr. Speaker, I ask unanimous consent

that the further reading of the statement be dispensed with.

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

There was no objection.

Mr. RARICK. Mr. Speaker, the purpose of the conference bill, as with the original House bill, is to establish more long-range planning for the National Forest System, and congressional control over management of National Forest System lands.

The major provisions of H.R. 15283 require the administration to prepare a national renewable resource assessment of all such lands and resources and a Forest Service renewable resource program, and that both the assessment and the program be submitted to Congress for review. The administration must also prepare an annual progress report.

The Congress agreed to eliminate a provision allowing limited impoundment of funds appropriated for the act, but specified that the funds shall be expended in accordance with the Congressional Budget and Impoundment Control Act of 1974.

Senate language to set the year 2000 as the operational target year also was adopted by the conferees. By that year, the major portion of planned intensive management procedures are to be operating and all backlogs of needed treatment for renewable resources are to be reduced to a current basis.

The conference substitute also provides, similar to the House bill language, that the President prepare and submit to Congress a statement of policy to guide the framing of budget requests under the act. Congress may revise or modify this statement within 60 days following submission by the President.

The conference substitute contains no express public participation provision, although the conferees noted that under existing law the Secretary of Agriculture has the authority to provide for needed public participation in development of the assessment, program, and resource inventories.

Mr. Speaker, the cost estimate of $4.9 million over the next 5 years remains the same as the original House bill estimate. The bill passed the House by an overwhelming vote and on 16 of 22 points of discussion during the conference. The House bill language was retained or the Senate bill language was deleted to conform with the House bill. The Senate provisions and compromises on the other six points were mainly technical and improved the House bill.

Of particular interest to the Members will be the constructive and helpful compromise relating to funding of national forest development roads and trails. Under the conference substitute, the Secretary of Agriculture will be required to outline his total road program to the Congress in seeking funds for roads. Thus, credits to timber purchasers for roads they construct under timber sales contract arrangements will now be considered as budget outlays and budget authority in accordance with the Budget and Impoundment Control Act. Along with roads constructed directly by the Forest Service with appropriated funds, the Appropriations Act must now cover the "timber purchaser roads," which are funded by credits to the timber purchasers under the timber sales contract. Since these purchaser credits will be budget outlays which will be discharged without the use of appropriated funds, it will be necessary for the new Congressional Budget Office which will be established under the 1974 Budget Act to develop a means to recognize their liquidation on the credit side of the ledger in establishing the annual balance between national income and expenditures.

The committee recognizes that the amounts needed for timber purchaser roads cannot be estimated with precision, since estimates are made between 18 to 24 months in advance of the timber sales themselves, and market and other conditions can influence the degree to which timber purchaser roads can be constructed. Thus, we expect the Secretary of Agriculture and the Appropriations Committees will develop flexible arrangements which will assure that Congress can approve the overall national forest road program including those constructed by timber purchasers, without impeding an orderly and efficient timber sales program by the Forest Service.

This legislation will provide purposeful direction for development and management of the National Forest System. Through analysis and planning it will enable coordination of both the commodity and amenity resources and uses of that system. The renewable resources assessment and renewable resources program to be prepared under the terms of the bill will be the most comprehensive and coordinated situation review and action program statements ever prepared for either the national forests or the associated work of the Forest Service in cooperative programs and research. Provision is made for consideration of alternative programs. Cost-benefit analyses will include consideration of not only direct but indirect returns as well as both tangible and intangible benefits. Development of the renewable resources program will be in accordance with the principles set forth in the Multiple Use-Sustained Yield Act of 1960 and the National Environmental Policy Act of 1969.

The preparation and submission to the Congress of these two statements will provide the basis for a new era in wise long term use of all of the resources of the National Forest System. Enactment of this measure will mark the beginning of a new era of maturity in the development and management of these great resources.

The needs and the desires of the American people, the complexities of our culture and an expanding national economy all impose new and increasing demands on basic natural resources. The forest, as a source of wood, water, recreation, and wildlife and forage for domestic livestock, is uniquely able to respond to these modern challenges—with man's consistent and dedicated assistance. And, in yielding all of these benefits to man, the forests demand a level of management recognizing their esthetic and environmental qualities.

This accommodation between man and nature, between human necessities and human desires, with full appreciation of the forest's timeless meanings of different things to different men, is essence of the Forest and Rangeland Renewable Resources Planning Act of 1974.

The details of sound forest management will vary with locality and by objectives of ownership but, overall, the purpose of sound planning over prolonged periods will be to attain full considerations. The general trend of forest management has been toward achieving full production with the aid of continuing research and improved technology. Substantial improvement in direction and magnitude must be made, however, to meet the requirements of the future. These opportunities are inherent in the legislation before us. Passage of this bill will enable the Nation to accelerate application of advanced management practices which will give maximum sustained production to the economy and contribute fully to the welfare and enjoyment of its citizens.

Any forest, managed below its full potential to return the benefits the owner seeks, fails to realize its role in the well-being and security of the Nation and its people. We are on the threshold of a new day in forest management when the desert will literally blossom like the rose.

Mr. Speaker, I urge the adoption of the conference report so that the Congress can move forward in establishing a long-range planning program to provide maximum use and protection of our National Forest lands.

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

Mr. RARICK. I yield to the gentleman from Oregon.

Mr. WYATT. I thank the gentleman for yielding.

Mr. Speaker, I would congratulate the conferees on an excellent job in bringing back to the House essentially the House bill. This bill, when passed by the House and passed by the Senate on the conference report I am advised tomorrow, will be a long and important step forward in a meaningful, long-range, sensible management of the forest resources that this Nation has. I am advised again that the legislation liaison people in the executive department will advise the President to sign this bill when the conference report is passed.

Mr. GOODLING. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Louisiana. I happen to be one who believes our forests are a renewable resource. In other words, we can have our cake and eat it, too. This bill is designed to do just that. This is a step in the right direction, I believe, and I trust that this bill will pass.

Mr. EVANS of Colorado. Mr. Speaker, I strongly support the adoption of the conference report on S. 2296, the Forest and Rangeland Renewable Resources Planning Act of 1974. I was a cosponsor of this legislation in the House, and am pleased to see S. 2296 brought to the floor for final approval.

As a member of the Appropriations Committee and the subcommittee with

jurisdiction over the Forest Service, I have found myself facing the task of trying to determine whether the budget request for a given program represents a sound mix of funding to meet current as well as future needs. In the absence of an agreed upon set of goals or priorities, this problem is complicated by the need to balance the fiscal requirements of competing programs.

In the area of natural resources it is always easy to defer those actions that have long-term benefits, and difficult to provide the funds to meet current and ongoing needs. This has been true under both Democratic and Republican administrations. The current reforestation backlog and inadequate recreation facilities on the national forestlands bear testimony to this fact.

The need to balance funding for various programs is complicated in the field of natural resources because an effective multiple-use program must strike a sound balance of effort. In addition, our forest and range resources are both publicly and privately held. We have programs designed to foster private initiative and we have others that govern the level of activity on the public lands. Each of these must also be balanced if we are going to secure the resources that our Nation needs.

This bill will provide a framework for policymaking that will enable both the Executive and the Congress to do a better job of managing our national forests and rangelands.

The Secretary of Agriculture is directed to prepare a renewable resource assessment which is to be periodically updated. It will serve as a basic body of data and information on which informed decision can be based. In my work on the House Appropriations Subcommittee on Interior and Related Agencies it has been a shock to find out how little the Federal Government really knows about the public's resources.

In addition to preparing the assessment, the Secretary of Agriculture shall prepare a recommended renewable resources program. This too is to be updated periodically.

The President shall transmit to the Congress the assessment and program along with a detailed statement of policy intended for use in framing budget requests for the Forest Service. The Congress then has 60 days to review the statement of policy and act to revise or disapprove it.

An annual report is to be submitted to Congress with the budget expressing in qualitative and quantitative terms the extent to which the programs projected meet the policies approved by Congress.

S. 2296 is in the same spirit as the Congressional Budget and Impoundment Control Act of 1974. It will give Congress more control over the Forest Service budget, and allow both Congress and the Executive to make more informed judgments on Forest Service programs. S. 2296 will assist in setting national priorities for renewable resource management that recognizes the long term needs of our national forests and rangelands.

I commend both the distinguished chairman of the Agriculture Committee, (Mr. POAGE) and the distinguished chairman of the Subcommittee on Forests (Mr. RARICK) for the fine job they have done in developing this legislation.

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

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

COMMUNITY DEVELOPMENT AND FLEXIBILITY IN URBAN TRANSPORTATION POLICIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-328)

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

To the Congress of the United States:

The promotion of desirable community development and flexibility in urban transportation policies are principal goals of this administration.

It is clear that in order to promote the orderly development of urban areas according to local priorities, our efforts should be focused on measures which better integrate and coordinate all modes of transportation in urban areas with other physical and social programs. Moreover, State and local governments should be given greater participation in major decisions in the use of Federal programs affecting community development.

I am pleased to submit to the Congress this report which summarizes the many ways in which the executive branch of the Federal Government is working to effect significant improvements toward that end.

The report was prepared jointly by the Departments of Transportation and of Housing and Urban Development as required by section 4(g) of the Department of Transportation Act of 1966. In particular, it documents the cooperative efforts on legislative proposals, policies and activities that are being taken by this administration to assure that urban transportation systems most effectively serve both national transportation needs and the development policies of individual urban areas.

I commend this report to the attention of the Congress.

RICHARD NIXON.

THE WHITE HOUSE, *August 1, 1974.*

WORLD WEATHER PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

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

To the Congress of the United States:

A well-known maxim says, "Everybody talks about the weather, but nobody does anything about it."

That maxim is no longer valid. We are confident that the knowledge of weather we are gaining through studies and experiments carried out under the World Weather Program will give man the understanding, tools and techniques necessary to cope with his atmosphere.

We are continuing to make substantial progress in furthering the goals of this program. These goals are:

—To extend the time, range and scope of weather predictions;

—To assess the impact of atmospheric pollution on environmental quality;

—To study the feasibility and the consequences of weather modification;

—To encourage international cooperation in meeting the meteorological needs of all nations.

The United States will soon begin continuous viewing of storms over much of the earth's surface through the use of two geostationary satellites. These satellites will also relay information from remote observing stations, thereby strengthening our ability to warn of potential natural disasters.

In cooperation with other nations, we expect soon to make five such satellites operational.

Immediate gains in weather predicting are also being made through increased computer power. This increased computer use will also in time produce long-term gains in both immediate and extended range prediction of global weather conditions and in the assessment of the impact of man's activities upon climate and weather.

During June through September this year a major international experiment will be conducted in the tropical Atlantic. This experiment is expected to provide new information on the origin of tropical storms and hurricanes, and the effects of these storms on global circulation.

In accordance with Senate Concurrent Resolution 67 of the 90th Congress, I am pleased to transmit this annual report describing the current and planned activities of Federal agencies participating in the World Weather Program.

RICHARD NIXON.

THE WHITE HOUSE, *August 1, 1974.*

GENERAL LEAVE

Mr. RARICK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the conference report on the Senate bill, S. 2296, just agreed to.

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

There was no objection.

CONFERENCE REPORT ON H.R. 11873, ANIMAL HEALTH RESEARCH ACT

Mr. MELCHER. Mr. Speaker, I call up the conference report on the bill (H.R. 11873) to authorize the Secretary of

Agriculture to encourage and assist the several States in carrying out a program of animal health research, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 12, 1974.)

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

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

There was no objection.

Mr. MELCHER. Mr. Speaker, the purpose of the conference bill before us is the authorization to the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research.

Essentially, this is the same bill that cleared the House on February 7 of this year. The Senate passed the bill on March 28 with but minor changes, the majority of which were technical and clarifying amendments.

Of the amendments other than technical ones made by the Senate, the conferees determined that the amendment with regard to research on fresh water fish and shellfish, and the amendments allowing, as a research purpose under the bill, the study of the loss of livestock due to transportation and handling warranted inclusion in the final product of the conference. The conferees noted that a Senate provision requiring a horse census was not necessary in view of the inherent authority of the Secretary under the Organic Act.

This is a very good bill, Mr. Speaker, for both the consumer and the producer. It is a basic bill in medical research. It will assist in human medical research, as veterinary research always does, and the bill will have the ultimate outcome of assisting not only our medical knowledge but also of having an economic impact on lowering the price of meat to some extent.

Mr. Speaker, I urge the adoption of the conference report, and I will be glad to answer questions of any Member.

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

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

Mr. GROSS. Mr. Speaker, this looks like a lot of additional money for this purpose. Will this authorize a total of $47 million in the three categories to be found on page 2 of the conference report?

Mr. MELCHER. The gentleman is correct.

Mr. GROSS. It is $47 million annually in the three items?

Mr. MELCHER. That is correct, $47 million in each year.

Mr. GROSS. Is that above or below the House figure?

Mr. MELCHER. This is $2 million above the House figure and $28 million below the Senate figure.

Mr. GOODLING. Mr. Speaker, I opposed this bill originally when it was before this body. I said at that time that this was a complete duplication of efforts. I want to repeat that same statement today. This work is being done now at the present time in practically every land-grant college in the entire United States. Every week those of us who read the reports coming out of the USDA will see that practically every week and sometimes two or three times a week grants are made of various kinds to land grant colleges to do research.

As the gentleman from Montana just said, when this bill left the House it called for an expenditure of $47 million. The other body raised that considerably. We did win the battle and as he also states, not only the $47 million, which is just $2 million over what it was when it left the House; but I would like to point out that not one penny of this $47 million is budgeted.

The other body did add a rather interesting thing. It was interesting to me, at least. The other body called for a horse census. I asked one of the distinguished members of the conference committee from the other body to justify a horse census. Well, I received a very diplomatic reply from him. He said, "Just because we want a horse census."

I did not think that was justifying it, but that is the reply I got.

Fortunately, the House Members were able to get that out, because we told them this would certainly be subject to a point of order in this body.

I can assure this body, at least I can assure them, that a horse census will be hidden somewhere in another bill that comes from the other body.

I still do not think this is a good bill, but I shall not say anything more in opposition than I have said.

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

Mr. GOODLING. Yes, I yield to the gentleman from Iowa.

Mr. MAYNE. Mr. Speaker, I rise in strong support of this conference report. It was amply shown in the hearings before the Livestock and Grain Subcommittee and the full committee that there are tremendous losses of livestock through disease each year which greatly add to the cost of meat in this country. The research that we obtain through this bill is going to yield great dividends to the American people, particularly the consuming public, in the long run. It would be penny-wise and pound-foolish for us to vote against this conference report.

Mr. MELCHER. Mr. Speaker, the Department of Agriculture has shown that we have in excess of $4 billion annual loss of meat and poultry through sickness and disease. The bill not only has the basic purpose of research for veterinarian and medical purposes, it also has the economic impact of trying to reduce that annual loss. The bill will broaden the research effort nationwide.

I think the providing of a relatively small amount of money that this bill carries with it will assist this country in moving forward with the eradication of disease.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

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

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 15578, SMALL BUSINESS AMENDMENT OF 1974

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1246 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1246

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15578) to amend the Small Business Act, the Small Business Investment Act, and for other purposes, and all points of order against sections 2 and 5 of said bill for failure to comply with the provisions of clause 4, rule XXI, are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

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

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

Mr. Speaker, House Resolution 1246 provides for an open rule with 1 hour of general debate on H.R. 15578, a bill to amend the Small Business Act and the Small Business Investment Act.

House Resolution 1246 provides that all points of order against sections 2 and 5 of the bill for failure to comply with the provisions of clause 4, rule XXI of the rules of the House of Representatives—prohibiting appropriations in a legislative measure—are waived.

H.R. 15578 increases the overall loan, guaranty and investment ceilings of the Small Business Act. Under the legislation which expired June 30, 1974, the SBA was allowed to have outstanding in

all of its lending programs, other than disaster loans, $4.875 billion. H.R. 15578 increases the overall ceiling to $6 billion with increases in several subceilings for programs such as small business investment companies and economic opportunity loans.

H.R. 15578 also directs the General Accounting Office to conduct a complete audit of the SBA including all of its programs and field offices and to provide the Congress with the results of that audit not later than 6 months from the date of enactment of this bill.

Mr. Speaker, I urge the adoption of House Resolution 1246 in order that we may discuss, debate and pass H.R. 15578.

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

Mr. Speaker, this rule, House Resolution 1246, provides for the consideration of H.R. 15578—Small Business Amendments of 1974, under an open rule with 1 hour of general debate. There is also an additional provision in the rule which waives points of order against sections 2 and 5 of the bill for failure to comply with clause 4 of rule XXI. Clause 4 of rule XXI prohibits appropriations on a legislative bill. Clauses 2 and 5 include provisions establishing new revolving funds and transferring specified amounts from an existing fund to a new fund. These provisions require a waiver.

The primary purpose of H.R. 15578 is to increase the overall loan, guaranty, and investment ceilings of the Small Business Administration. At the present time the Agency can have outstanding in all of its lending programs other than disaster loans, $4,875,000,000. This bill would increase the overall ceiling to $6 billion with increases in several subceilings for programs such as small business investment companies and economic opportunity loans.

This bill also transfers the functions of the Economic Opportunity Act which have been carried out by the Small Business Administration to the Small Business Act.

The committee report estimates that there is no budgetary impact involved in raising loan ceilings. The only cost included in the cost estimate is for administrative charges.

Mr. Speaker, I support this rule in order that the House may proceed to consider the merits of this bill.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 13044, AMENDING AND EXTENDING THE DEFENSE PRODUCTION ACT OF 1974

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1233 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1233

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13044) to amend the Defense Production Act of 1950. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 13044, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 3270, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 13044 as passed by the House.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

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

Mr. Speaker, House Resolution 1233 provides for an open rule with 1 hour of general debate on H.R. 13044, a bill to amend the Defense Production Act of 1950.

House Resolution 1233 provides that after the passage of H.R. 13044, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 3270, and it shall then be in order in the House to move to strike out all after the enacting clause of S. 3270 and insert in lieu thereof the provisions contained in H.R. 13044 as passed by the House.

H.R. 13044 extends for 1 additional year, through June 30, 1975, the powers of the President under the Defense Production Act of 1950. These powers include among others, the power to establish priorities for defense contracts; the power to allocate materials for defense purposes; authority to guarantee loans made in connection with defense purposes; the authority to guarantee loans made in connection with defense contracts; and the authority to make loans and purchases to build up our defense capacity and assure supplies of defense materials and to carry out existing contracts.

H.R. 13044 also requires the Office of Management and Budget to study and report its findings to the Congress by March 1, 1975 recommending legislative and administrative actions for a comprehensive strategic stockpiling and inventories policy to facilitate the availability of essential natural resources and to prevent economic disruptions, unreasonable increases and erratic fluctuations in the price of such resources.

Mr. Speaker, I urge the adoption of House Resolution 1233 in order that we may discuss, debate, and pass H.R. 13044.

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

Mr. Speaker, House Resolution 1233 is the rule providing for the consideration of H.R. 13044, the Defense Production Act amendments. This is an open rule with 1 hour of general debate. In addition, there is provision for inserting the House-passed language in the Senate bill after completion of action on the House bill.

H.R. 13044 would extend the powers of the President under the Defense Production Act for 1 additional year. These powers include, first, power to establish priorities for defense contracts; second, power to allocate materials for defense purposes; and, third, authority to guarantee loans made in connection with defense contracts.

The bill amends the act to change the method by which Defense Production Act stockpile material is financed by providing for authorization of funds for stockpile financing through congressional appropriations. It also requires the OMB to produce a study and report to Congress by March 1, 1975, recommending legislative and administrative actions for a comprehensive strategic stockpiling and inventories policy.

Mr. Speaker, I support this rule in order that the House may proceed to consider the merits of this bill.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SMALL BUSINESS AMENDMENT OF 1974

Mr. STEPHENS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15578), to amend the Small Business Act, the Small Business Investment Act, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Georgia (Mr. STEPHENS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 15578, with Mrs. MINK in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Georgia (Mr. STEPHENS) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. J. WILLIAM STANTON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Georgia (Mr. STEPHENS).

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

Madam Chairman, the legislation before the House today, H.R. 15578, is extremely important to the future of small business in this country. The importance of the bill I feel was reflected by the unanimous vote with which the legislation was reported in both the subcom-

mittee and the full Banking and Currency Committee.

I do not want to take up too much time explaining the bill on a section-by-section basis since such a summary is available in the report on this legislation. However, let me discuss some of the highlights of the bill. First, the legislation would increase the authorized loan ceiling under which the Small Business Administration operates from $4.875 billion to $6 billion. This does not provide the agency with any additional funds, but merely allows the agency to expend funds it already has or will obtain through the appropriation process. Without this increase, the Small Business Administration will be unable to continue its loan and guaranty programs. For a number of years the committee and its reports on SBA legislation has directed that agency to move back into the direct loan field at a much greater rate than it has in recent years. In 1965, for example, 92 percent of SBA business loan activities were in the form of direct or immediate participation loans. However, in 1973 only 6.8 percent of the SBA loan volume was in direct or immediate participation loans. The Administration has continued to ignore the committee's requests to make more direct loans available to small businessmen. Because of this, the legislation contains a provision requiring the SBA to make $400 million in direct loans available before the end of the current fiscal year.

Your committee recognizes that such a requirement may require a supplementary appropriation and expects the SBA to apply for additional funds if they are necessary. The Office of Management and Budget has restricted the SBA direct loan activities in the past because these loans were made at a statutory interest rate of 5½ percent, which was below the cost to the government to obtain funds for relending. The Banking and Currency Committee has remedied that objection by removing the 5½ percent statutory rate and substituting instead a rate that will be based upon the cost of money to the Government as determined by available yields of Government securities plus one-fourth of 1 percent for servicing and other SBA expenses. Under current conditions that rate on such loans will now become profit making investments.

While it might be argued that the legislation is increasing the SBA interest rate, in actuality just the opposite is true since almost all of SBA lending is done on a guaranteed basis. A small businessman obtains his money from a commercial bank with the SBA providing only a guaranty of repayment. The interest rate on these loans has gone as high as 12 percent and is currently in the 10 to 10½ percent category. As you can see, the new interest rate formula would make loans available at 5⅛ percent which is far less than the 10 to 10½ percent figure now being charged on most SBA loans.

Many Members have introduced bills dealing with small businesses' hardships caused by the energy crisis. Section 8 is our attempt to respond to these numerous bills since we allow SBA to make direct or guaranteed loans on a disaster basis to those who are drastically affected. It also covers authority to refinance existing loans.

Before concluding, let me turn to one other important area of the bill. I am sure all members have read about the oversight investigation that has been conducted by the Small Business Subcommittee. Quite frankly, Small Business Subcommittee members have been concerned at what we have found in the Small Business Administration. Our findings have ranged from clear criminal acts both inside and outside of the Agency, to simple mismanagement. Some members of the Small Business Subcommittee and the full Banking and Currency Committee were very hesitant about providing SBA with increased authorization, but failed to withhold this authorization because it would penalize small businessmen throughout the country more than it would hurt the Agency.

In order to safeguard the taxpayers' funds and to clean up the operations of the Small Business Administration a number of safeguards have been written into the legislation. First the legislation calls for a full audit by the General Accounting Office of the entire Small Business Administration, the first such audit to my understanding since the inception of the Agency. Second, the legislation provides SBA with new investigatory powers including the use of subpenas in dealing with problem areas and third the legislation requires the SBA to forward to the Banking Committees of both Houses the results of any investigations that it conducts during the year. This will enable the committees to determine if the Small Business Administration is making a bona fide attempt to continue to clean up its bad spots.

Madam Chairman, I urge the enactment of H.R. 15578.

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

Mr. STEPHENS. I will be glad to yield to the distinguished gentleman from Illinois.

Mr. ANNUNZIO. Madam Chairman, I thank the chairman of the subcommittee, the gentleman from Georgia (Mr. STEPHENS) for yielding to me. I would like to call the attention of my colleagues in the House that ROBERT G. STEPHENS as chairman of the subcommittee has conducted one of the most comprehensive examinations of an agency that I have seen in the last 10 years as a Member of this Congress.

We have held hearings in Atlanta, in Chicago, in Milwaukee, and other parts of the country.

I am one of those who, as a member of the subcommittee, said that because of the fraud and criminal activity that we found which, in my opinion, would total over $100 million in loans that were made, guaranteed loans, with the bankers of this country to small businessmen, that I was very reluctant to support the legislation. But I am doing so tonight because of the millions of honest businessmen in this country who need the Small Business Administration. However, I want to warn the Members of this Congress that as they vote for this legislation to make sure that in the future this legislation does not become an adjunct to the banking industry in this country where we guarantee loans that are made with banks, and then when these loans are made they are not able to be paid back.

For that reason I want to compliment the chairman of this committee, and our chief investigator, for the tremendous job that they have done on behalf of the committee, and on behalf of the taxpayers of the United States.

Madam Chairman, my reluctant support for the legislation is not because of the job that the Small Business Administration has been doing in recent years but in spite of it.

I sincerely wish that there was some way that the Congress could channel aid to small businessmen without going through the SBA. I do not want my remarks to be construed as a blanket indictment of all SBA offices and their employees for I am certain there are a large number of employees who perform their job in a highly conscientious manner. But there appears to be a growing number of SBA officials who are more interested in turning a fast buck than helping small businessmen.

For more than 8 months the Small Business Subcommittee, on which I serve, has been conducting an investigation into the operations of the Small Business Administration. Virtually every day we have discovered new problems within the agency which range from out-and-out criminal fraud to simple mismanagement. At the beginning of our investigation, the Banking and Currency Committee's Chief Investigator testified that he had found problems in some 20 SBA offices. That was at the beginning of our investigation, and since then we have uncovered problems in many more offices including a number of criminal violations.

We have reported all of our findings to the FBI and the Justice Department and also to the SBA. I wish I could report to this body that there has been a concerted effort on the part of the administration to clean up SBA and punish the wrong doers. But the only time we have seen any action is after we have pushed and prodded the agencies involved in the clean-up program. For instance, in Chicago the subcommittee uncovered a $388,000 loan that had been in default for nearly 3 years. The SBA had taken no action to collect this loan even though the borrower had violated a number of SBA regulations in connection with the loan and had virtually thumbed its nose at the agency. Although the borrower had defaulted on the loan, it is my understanding that he had opened a new publishing business and was driving around Chicago in a new car.

Only 4 days after the subcommittee held hearings in Chicago and questioned SBA's lack of collection efforts in this loan, the agency filed suit to recover the loan and less than a month after our hearings in Chicago a former SBA employee was indicted by a Federal grand jury for accepting a bribe in connection with a fraudulent loan. Less than a week later an SBA borrower entered a guilty

plea in connection with obtaining a fraudulent loan.

Thus, before the subcommittee went to Chicago there was virtually no action to clean up the SBA mess and after the subcommittee's prodding it appears we are getting some action.

Unfortunately, we are not getting action from all sections of the country. Some indictments were handed down recently in Philadelphia but it took Federal officials nearly 18 months to get indictments in what appeared to be a simple case. In New York City, a Dr. Thomas Matthew has apparently ripped off the SBA for several hundred thousand dollars and SBA recently told the committee there appears to be no way the Government can get the money back. The same Dr. Matthew has been convicted by a Queens County court in New York City on numerous counts of misuse of Federal funds. Yet Federal authorities have never prosecuted Dr. Matthew. One of the reasons why Dr. Matthew was never prosecuted may well be his strong ties to the White House. The subcommittee heard from SBA investigators that they were called to the White House to discuss the Dr. Matthew case and subsequent to that discussion the investigator was called by a high level SBA official with a request to destroy the Dr. Matthew investigation report.

There has also been little action in the Richmond, Va., SBA investigation, even though the subcommittee was told that indictments would be handed down in January.

If the Justice Department ever gets around to prosecuting the wrongdoers in Richmond, in my opinion they are going to find a trail of criminal activities that leads back and forth across this country. Had it not been for the subcommittee going into the Richmond, Va., SBA office in connection with its investigation, the taxpayers would have lost millions of dollars more than has already been lost in illegal loans out of that office.

In the face of all this evidence, the SBA acts as if these are only isolated cases involving only a few wrong doers. SBA Administrator Kleppe, for instance; made a speech in which he said that the losses in Richmond would amount to no more than $50,000 and he chastised the subcommittee for blowing a small situation out of proportion. Now Mr. Kleppe has had to repudiate that statement. He has found what the subcommittee has known all along—that the Richmond losses may amount to millions of dollars.

Madam Chairman, I am supporting this legislation today but I want to make it clear that I am not going to diminish my public demands for action on the part of the Justice Department and the Small Business Administration to punish the criminals within the SBA and those on the outside who are trying to take advantage of the Agency. If SBA officials cannot clean up their own shop then it is time to remove those officials. And it is time for the Justice Department to stop its foot dragging and begin active prosecution of law breakers involved in small business crimes.

Madam Chairman, I have nothing personal against Mr. Kleppe or any of the SBA staff. I merely want to go on record and state that these bad practices must stop and that SBA go back to operating as the Congress intended—with fairness and equity to all.

Mr. GONZALEZ. Madam Chairman, my sentiments concerning this legislation tend to parallel those expressed by the distinguished colleague from Illinois.

The urgent need by thousands of small businessmen impels me to add my voice of support.

For years I have been bitterly disappointed to watch the activities of the SBA degenerate to that of an accomplice of financial institutions in the charging of extremely high—indeed exhorbitant, if not actually usurious—interest rates. Indeed, the way SBA has been operating in the past few years—unfortunately with acquiescence of the Congress—has given serious reason to wonder why it should be continued at all. Only a meager amount of money has been utilized for direct loan purposes—almost all SBA help has been on a participatory basis, yielding up the hapless businessman into the clutches of the usurer—and thereby vitiating the principal reason or cause for the very existence of SBA.

In truth, because of the insistent pressure exerted by a few of us on the subcommittee, this bill for the first time mandates a substantial sum for direct loan.

This is one principal reason why I support this bill.

Mr. PATMAN. Madam Chairman, I am certain that virtually every Member of this body has received letters from small businessmen in recent months complaining of the hardships imposed upon them by the energy crisis.

In fact, more than 100 Members have cosponsored legislation of various types to provide assistance to small businessmen who have been injured by the energy crisis.

It is because of this widespread interest in the energy crisis and its relation to small business that it is imperative that this body enact H.R. 15578 since section 8 of the legislation will allow the Small Business Administration to make loans to small business concerns that have been adversely affected by a shortage of fuel, electrical energy or energy-producing resources or by a shortage of raw or processed materials resulting from such shortages.

The legislation will allow the Small Business Administration to make new loans or to refinance existing indebtedness and to provide such assistance at a rate of interest that will be pegged to the cost of money to the Government plus one-fourth of 1 percent. Under current market conditions the interest rate on such loans would be 6⅛ percent.

Madam Chairman, I would be less than candid if I did not make it clear that enactment of this legislation is not going to solve the energy crisis problem for all small businessmen. In fact, the number of small businessmen who are helped will depend entirely on the amount of money that the administration is willing to place in its budget to fund this loan program.

It is my understanding that the Small Business Administration has only a little over $100 million in its disaster fund at the present time. Even if all of that money could be made available for energy crisis loans, it would cover only a small portion of the entire problem. It must be remembered that the disaster fund has to be used for all disaster loan programs with the greatest emphasis on the physical disasters such as floods, tornadoes and earthquakes.

Although I am hesitant to make an estimate, I will say that it will take at least a billion dollars of disaster loan funds channeled into energy crisis loans in order to even begin to ease the problem. Unless the administration is willing to make that kind of commitment to small businessmen, then I question whether this legislation will have the impact which is intended.

And of equal importance to small businessmen is the need to solve the energy crisis problem. For instance, hundreds of motel operators throughout the country have written me expressing their support for this legislation. They point out that because of the gasoline shortage and the resulting lack of travel the motel business in many areas is at a virtual standstill. If the legislation is enacted and funded, the Small Business Administration will be able to make loans to help these motel operators meet their mortgage payments—but that is not going to put more travelers on the road and more income into the cash registers of the motels. Unless we can solve the energy crisis we are only forestalling the end for not only motel operators but thousands of small businessmen throughout the country whose livelihood is based on the income from travel.

This then is a stopgap measure but hopefully it will save thousands of businesses that might otherwise go under before the energy crisis can be resolved.

Madam Chairman, I strongly support H.R. 15578 and urge its enactment and in doing so urge this body to take all necessary action on measures designed to solve the energy crisis for unless we solve the energy crisis the passage of the legislation here today will be totally meaningless.

Mr. STEPHENS. Madam Chairman, I wish to thank the gentleman for his support of this legislation.

Mr. ROUSSELOT. Madam Chairman, will the gentleman yield?

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

Mr. ROUSSELOT. Madam Chairman, I thank the gentleman from Georgia for yielding me on the subject of H.R. 15578. I would like to take this time to compliment the gentleman from Georgia, who has served as chairman of this Small Business Subcommittee. He has taken this subcommittee through some very difficult hearings relating to the Small Business Administration. During these hearings Mr. STEPHENS has been very fair and complete in the way that he has made sure that the small business people of this country who depend on the SBA have been adequately protected.

The gentleman from Georgia has made sure that we have had total and complete hearings on the charges and

countercharges that were made relating to the Small Business Administration.

Because of these hearings it was necessary to withhold this legislation from passage until many of the complaints and charges were cleaned up.

During all of this time the gentleman from Georgia was extremely fair, and made sure that the committee had all the facts. The Administrator, Mr. Kleppe was given adequate time to respond to the many charges that were made by both employees of the Small Business Administration and by outsiders.

Through all of this the gentleman from Georgia has maintained a sense of balance, and a sense of fairness and decency that we do not always find when it is politically popular to jump on troubled agencies.

So I think that the Members of the House should know that, without any doubt, the gentleman from Georgia has consistently worked to make sure that we did not just rush ahead with this legislation to increase the ceiling, without first making sure that the SBA house was in order, and, that the improper practices found in the hearings were curbed and stopped.

I want to compliment the gentleman for his very, very fine sense of fairness.

Mr. STEPHENS. I certainly appreciate the statement the gentleman made. If he keeps on talking like that, I will be glad to yield some more time to him.

Mr. MITCHELL of Maryland. Madam Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

I want to echo the sentiments of the last speaker and the speaker who preceded him. It has been one of the more pleasurable aspects of my short time in this Congress to sit on this particular subcommittee and to witness the way in which the chairman of the subcommittee focused in on a rigorous kind of investigation, but never at any time lost sight of the fact that the Small Business Administration was necessary for the well-being of small businessmen in this country. I, too, want to publicly express my appreciation for the way in which the investigations and the hearings have been handled.

When the Senate passed S. 3331, their version of H.R. 15578, the bill we are presently considering, there was a provision to increase the small business 7(a) loan maximum from $350,000 to $500,000.

Today I offer a similar amendment.

The 7(a) loan is to enable small business concerns to finance plant construction, conversion, equipment, facilities, supplies, materials; and to supply such concerns with working capital.

The critical issue here seems to be "what is the size of small business?" Would an increase in the 7(a) loan maximum from $350,000 to $500,000 make a small business a big business? The answer is clearly "no."

The $350,000 maximum has not been changed since 1958. Since that time the rapid inflationary spiral in our economy has caused the cost of business plant and equipment to increase 47 percent; the increase in labor unit cost has risen 49 percent; consumer prices have gone up 54 percent. According to current economic indicators $539,000 is needed in 1974 to purchase what $350,000 bought in 1958. This ceiling increase would technically apply only to guarantee and participation loans because of the administratively set ceiling of $100,000 on all SBA direct loans.

The net effect of not increasing the 7(a) loan ceiling is to make a 1974 small business smaller with less chance to become a big business than its 1958 counterpart.

I urge passage of this amendment.

Mr. J. WILLIAM STANTON. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I rise to urge the passage of H.R. 15578, the Small Business Amendments of 1974.

As a member of the Subcommittee on Small Business of the Committee on Banking and Currency and the Select Committee on Small Business, I am convinced that these amendments provide an improved, expanded, and more responsible approach to fulfilling the needs of the small business community of this Nation.

Both the Select Committee on Small Business and the Subcommittee on Small Business have, during this Congress, held comprehensive hearings on the administration and operation of the Small Business Administration. Both committees have identified serious problems and have criticized, with justification, the Small Business Administration's failings and shortcomings.

Neither committee, however, has found the problems to be so insurmountable as to justify a cessation or a curtailment of SBA activities. Instead, we have suggested an expansion of those activities, but an expansion coupled with needed reform. The bill before us today provides for that expansion and that reform.

The bill increases the ceiling on loans, guarantees, and investments from $4.875 billion to $6 billion and increases several subceilings, such as those for the small business investment companies and the economic opportunity loans.

The constantly increasing interest rates have diminished the attractiveness and the value of SBA guaranteed loans. More direct loans are needed. Despite this need, only $40 million in direct loans was afforded in fiscal year 1974. This bill requires that the SBA make at least $400 million in direct loans in fiscal year 1975.

In the name of fiscal responsibility, the bill replaces the 5½-percent direct loan interest rate, now fixed by law, with a rate equal to the cost of money to the Government plus one-fourth of 1 percent. Under current conditions, this will permit the SBA to make direct loans at an interest rate of 6⅛ percent, without adding to the Federal deficit.

It is no secret that almost all businesses have been hurt by the energy shortage. The adverse impact on small businesses has been especially acute. Many small businesses—hotels, motels, restaurants, ski resorts, and other recreational facilities—have assumed financial obligations based upon their past volume of business. The fuel shortages resulted in a serious decrease in their volume. When the public stayed at home, because of real or expected problems in obtaining gasoline, these businesses found themselves unable to meet their financial obligation and were threatened with extinction.

The bill recognizes this problem and affords relief. It authorizes the SBA to make direct or guaranteed loans on a disaster basis to small businesses affected by the energy crisis. It permits the SBA to refinance existing loans to such small businesses. This bill, H.R. 15578, contains the same language as that proposed in H.R. 13068. The latter bill was sponsored by the chairman of the Select Committee on Small Business and cosponsored by all of the members of that committee.

As I said earlier, the bill under consideration is designed to expand SBA assistance, but it also provides a mechanism to insure against abuse of the current and expanded authority. It requires an annual submission by SBA to the appropriate committees of Congress of a report detailing complaints of illegal conduct. All investigations and audits must also be submitted. Finally, the bill directs the General Accounting Office to conduct and complete an audit of the SBA and its field offices, and to report its findings to the Congress within 6 months.

This bill, Madam Chairman, represents a responsive and responsible congressional reaction to the problems of the small business community and the Small Business Administration. I urge its passage and early enactment.

Mr. JOHNSON of Pennsylvania. Madam Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Pennsylvania.

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

Madam Chairman, I rise in support of H.R. 15578.

Madam Chairman, one has but to read today's daily newspapers or listen to newscasts to realize the extreme pressures being exerted on our business concerns today.

The credit crunch in the form of tight money and high interest rates, the necessity to conform with Federal, State, and local government regulations on environmental and consumer protection laws, shortages of materials, increasing costs and a myriad of other factors are creating increasing and burdensome pressure on small business in particular.

I believe it is vital therefore that the House take quick action to enact H.R. 15578.

This bill would amend the Small Business Act and Small Business Investment Act and I submit that we cannot afford delay on this measure.

The bill is a comprehensive bill. It is a good bill and its provisions have been carefully worked out to provide maximum benefit to the Nation's hard-pressed small businesses. The amendments, if enacted, will permit the Small Business Administration to increase its overall assistance to small firms.

Prompt enactment will permit SBA to operate its financial programs at full

capacity and remove the restraint under which the agency now is operating in order to comply with a legal ceiling on the total amount of loans the SBA may have outstanding at any one time.

H.R. 15578 also contains provisions to alleviate the problems created for small businesses by the energy crisis as well as other beneficial amendments.

Madam Chairman, the SBA has, in each of the past 3 years, provided record levels of assistance to small business in all of its major programs—management help, procurement as well as financial assistance.

The SBA has created a spirit of cooperation and partnership with the private sector that is gaining momentum each year and providing the basis for the increased levels of assistance to small business.

Prompt and affirmative action by the House on H.R. 15578 will help SBA maintain that momentum as well as strengthen the confidence of the private sector in SBA and small business which is so vital to the preservation of our free enterprise system.

Mrs. HECKLER of Massachusetts. Madam Chairman, will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER of Massachusetts. I thank the gentleman for yielding.

Madam Chairman, as a member of the House Subcommittee on Small Business I rise in support of H.R. 15578, the Small Business Act Amendments of 1974. The increase which this bill provides in the loan, guaranty, and investment ceiling for SBA comes at a most appropriate time, because small businesses are faced with some of the most formidable challenges in memory. Costs are rising almost daily. Badly needed materials are in short supply. Additional requirements are being imposed on all businesses to meet laws relating to air and water pollution as well as other consumer-oriented regulations.

These requirements, as necessary as they are, do in fact make it more difficult for small firms to meet competition from larger companies, and I believe that we cannot afford to permit the erosion of the small business community, which is the bulwark of our competitive, free enterprise system. This legislation contains amendments to the Small Business Act which will allow the Small Business Administration to accelerate its assistance to small firms, and strengthen the quality of its programs.

I would like to focus on section 9 of the bill, which is an amendment I offered during the subcommittee's markup. The section provides for the establishment in SBA of a special position, called Chief Counsel for Advocacy, which will draw together under a highly placed official the responsibility for several functions which I believe merit greater emphasis by SBA.

The Chief Counsel's primary duty would be to serve as an ombudsman for small businessmen, both within the SBA and the Federal bureaucracy as a whole. The Counsel would be a focal point for the receipt of complaints, criticisms and suggestions from small businessmen concerning SBA's programs and policies. He would analyze the suggestions and pursue them within the agency to effect changes which will make the SBA more responsive to the small business community.

Also as a result of these communications, the Chief Counsel for Advocacy would represent the interests of small businessmen in the proceedings of other Federal agencies. This is a vitally important role, because as we all know, the most effective way to gain consideration of one's point of view by a Government agency is to participate in the development of policy and programs. The interests of small businesses will be better served by the SBA if the agency would take a more active part in Federal rulemakings, program development, and similar activities which affect small businessmen. The Chief Counsel for Advocacy would have that responsibility.

Another function of the Chief Counsel would be to achieve a wider dissemination of information about Federal assistance programs which might be of benefit to small businesses. At the present time, such information is available only at SBA offices, and is usually limited to SBA programs.

I envision the development of cooperative arrangements between the SBA and private sector, business oriented organizations and associations, through which SBA could distribute practical information on the availability of Federal assistance and the procedures involved in securing such assistance. There are over 1,700 Federal assistance programs, and I am convinced that many small businessmen are not aware of the many programs that are open to them, for the simple reason that the relevant information is not easily accessible. The use of business organizations would help in disseminating this information, and under section 9, the Chief Counsel would have the responsibility for setting up such a network.

These proposals have come from the small business community itself. This past spring, I attended, as did many of my colleagues here today, the annual Washington presentation by small business associations from around the country of their legislative proposals. One organization in that meeting which was particularly enthusiastic about small business advocacy was the Smaller Business Association of New England, which was worked since 1938 to promote the interests of small companies throughout the six-State New England region. Subsequent to the Washington presentation, I worked with the association's officials to develop the proposal which is incorporated in this bill as section 9. Several alternatives were considered, and the one contained in this bill was chosen as the most effective approach at the least cost. Since the proposal was offered in subcommittee, and, incidentally received unanimous support, I have received letters of support from small businessmen in all parts of the Nation. I am grateful for their support, and for their initiative in coming to Washington to advise us on how SBA can better serve the small businessman.

I hope that my colleagues will vote for the bill, and in particular this section, so that we can provide a strong impetus for expansion of the SBA, and the improvement of its programs.

Mr. J. WILLIAM STANTON. Madam Chairman, the legislation we have before us today, of course, came out of the Committee on Banking and Currency to our Subcommittee on Small Business. However, all of us realize that we have been helped tremendously by the Select Committee on Small Business throughout the years on problems involving the Small Business Administration. I should now like to yield 5 minutes to the gentleman from Massachusetts (Mr. CONTE), the ranking minority member of the Select Committee on Small Business.

Mr. CONTE. Madam Chairman, I thank the gentleman from Ohio for his kind remarks.

Madam Chairman, I rise to express my sincere, wholehearted support for H.R. 15578, the Small Business Amendments of 1974, and to urge my colleagues to vote for its passage.

The bill under consideration is responsive to the needs of the small business community and the administrative problems experienced by the Small Business Administration.

These needs and problems have been identified and scrutinized during this Congress by both the Select Committee on Small Business and the Small Business subcommittee of the Committee on Banking and Currency.

In my opinion, Madam Chairman, the bill before us is an excellent response to the problems being experienced by small businesses and firms located in all parts of this country. I would like to thank and congratulate the chairman of the subcommittee on Small Business (Mr. STEPHENS), the ranking minority member of that subcommittee (Mr. STANTON), and all of the members of the Committee on Banking and Currency. They have reported to us an excellent bill, one that can be and should be endorsed by every Member of this body.

As the ranking minority member of the Select Committee on Small Business, I was pleased to note that the bill under consideration addresses the problem area identified in the continuing hearings of the Select Committee on Small Business, as well as those highlighted by the investigations conducted by the Small Business Subcommittee of the Banking and Currency Committee.

Too often, Madam Chairman, this Congress tends to be inattentive to its commitment to small business. We tend to consider problems of the economy and unemployment in terms that are too general. We need to be reminded that there are almost 9 million small businesses in this country. They produce more than 40 percent of our gross national product and over 50 percent of our jobs. These small businesses provide a livelihood for over 100 million Americans.

They are in trouble and they are pleading for help. We can respond to that plea today by voting for this bill.

I believe it is important to note that the bill not only provides for the expan-

sion of existing Small Business Administration programs, it also mandates a closer and continuing congressional oversight of all SBA activities and operations. Thus, while the bill authorizes new programs and raises the ceilings and subceilings on existing programs, it also provides the mechanism for the detection and prevention of abuses.

There are two specific characteristics of the bill that I believe are especially important. The first is the requirement that SBA expand its direct loan activity as opposed to its guaranteed loan activity. The SBA would be required to make at least $400 million in direct loans for fiscal year 1975. This would be a dramatic increase over the $40 million committed to direct loans in fiscal year 1974.

We have to face the fact that the interest rates even on SBA guaranteed loans have skyrocketed. A loan carrying an interest rate of 10½ percent or 11 percent is hardly the kind of assistance needed by a small firm threatened with extinction. On the other hand, the current fixed rate of 5½ percent on direct loans is lower than the cost of money to the Government. The SBA, therefore, has been reluctant to increase its direct loan activity, because of the resultant impact on the budget deficit.

The bill, by requiring more direct loans, but at a rate of one-quarter of 1 percent above the cost of money to the Government, provides a sensible and fiscally responsible solution to the problem.

The other provision I would like to mention and praise is section 8 of the bill. This section includes the language of H.R. 13068, which was introduced on February 27, 1974, by the chairman of the Select Committee on Small Business (Mr. EVINS) and cosponsored by every member of the select committee. This section would allow the SBA to make direct or guarantee loans on a disaster basis to any small business adversely affected by the energy crisis. It would also allow SBA to refinance existing loans to such businesses.

I have received complaints and pleas for help from numerous ski resorts, lodges, motels, hotels, and restaurants which have suffered serious economic reversals because their potential customers elected to stay at home rather than face running out of gas on the road. They need help in the form of long-term 30-year, low-interest 6⅓-percent loans. This bill affords that help.

Madam Chairman, I urge my colleagues to support and vote for this bill.

Madam Chairman, as a member of the Appropriations Committee I pledge to the subcommittee, to the chairman and to the ranking minority member that I will do everything I can to see, if a supplemental appropriation bill comes out, that this money is in the bill to be brought to the House and sent to the Senate.

Mr. STEPHENS. Madam Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Georgia.

Mr. STEPHENS. Madam Chairman, I appreciate the information that the gentleman has just given, but also I would like to say that the gentleman from Massachusetts has taken a great lead in this field of small business as the ranking minority member on the Select Committee on Small Business. I compliment the gentleman on that.

Really, this bill and the previous bill the gentleman mentioned earlier are on a subject matter which was reserved to this subcommittee and through the leadership of the gentleman and the gentleman from Tennessee (Mr. EVINS), chairman of the subcommittee, as well as the efforts of the Legislative Committee, special attention has been paid to the needs of SBA.

Madam Chairman, I express my appreciation to the gentleman.

Mr. CONTE. I thank the gentleman for his remarks.

Mr. STEPHENS. Madam Chairman, I yield 5 minutes to the gentleman from New York (Mr. KOCH).

Mr. KOCH. Madam Chairman, first, I would like to say to the chairman of the subcommittee on which I serve, as have the other Members who have stood in this well this evening and who serve on that committee, that it is a special pleasure to serve on that committee because of the kindness, the courtesy and the cooperation that the chairman gives to every member. I know that on occasion compliments are paid simply because of the courtesies of the House but I want the chairman, my good friend, the gentleman from Georgia (Mr. STEPHENS) to know that I make the statement with all sincerity and affection for my good friend. He is an exceptional person and it is a pleasure to serve on his committee.

Mr. STEPHENS. Madam Chairman, if the gentleman will yield, I would like to thank him.

Mr. KOCH. I am supporting this bill. As the Members may recall, when the extension of the SBA came before this House several months ago, I opposed the extension with my good friend, the gentleman from Texas (Mr. GONZALEZ), a member of the committee, because we believed that the bill at that time ought not to be extended. We believed there were not adequate protections in that legislation.

The subcommittee has worked long and hard, and as others have pointed out, held investigations which brought forth facts which made us certain that all was not right with respect to the administration of the SBA. That is a continuing situation that the committee is addressing itself to.

We have put into this bill a provision that the GAO will have an audit of SBA activities and that the initial audit will be made available to the committee within six months from the enactment of the bill.

I know, having participated in the investigation of the SBA, that much has to be done with respect to the way SBA programs are administered.

I also want to make the point that I am not happy with the nature of the kinds of loans that are being made, the amounts of those loans, the $350,000 loans.

I am not happy with the fact that concerns that do business in the millions are receiving loans.

I believe that SBA was intended for the mama and papa type of establishment. That is what I understood SBA to be all about, but the fact is that is not what it is all about today.

I hope there will be a review of that situation and that there will be changes, so as to make funds available for the small shopkeeper, the small entrepreneur. Yet on balance knowing of the need that we have, I have no hesitation in supporting this legislation and urging my colleagues to vote for it, while seeking to improve the basic legislation.

Mr. J. WILLIAM STANTON. Madam Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. WIDNALL).

Mr. WIDNALL. Madam Chairman, in jeopardy today is the Small Business Administration's ability to maintain its services to the small entrepreneur, to make the kinds of commitments and loans which thousands of small businessmen depend on.

As of June 30, 1974, the SBA is not allowed, under Public Law 93–237, to incur obligations which exceed the level outstanding as of that date. Also prohibited under the law is the assumption of obligations beyond the subceilings previously authorized and levels reached for, first, State and local government; second, the economic opportunity loan program, and third, the Small Business Investment Company.

Authorization ceilings for the funding of the SBA must be increased in several areas if the agency is to be able to make loans and commitments beyond those it can meet out of its meager repayments and cancellation receipts.

It is as true of the SBA as it is of individuals, that the first to find their griefs are the last to find their faults. The occasion demands, however, that while it is the responsibility of the Congress to make the SBA as well aware of its errors as is everybody else, this should not be done to the detriment of the small businessman. To do that would be to overrate the questionable operations of the SBA and underrate its benefits. The small businessman, having proved in the first instance a victim of neglect, would in the second, prove a victim of reform.

Twenty years ago, the U.S. Congress, taking a broad and perceptive look at the needs of the American economy, enacted a law providing for the establishment of the Small Business Administration. Today, new legislation designed to meet SBA's loan needs, and improve its services, is required. H.R. 15578 meets these demands.

First, the bill would authorize an increase in several loan subceilings, and in the overall ceiling, from $4.875 billion to $6 billion. The authorization increase provided for by the House Committee on Banking and Currency extends through the fiscal year 1975.

While in the past, authorizations have been provided for on a 2-to-3 year basis, the committee, cognizant of its heavy oversight responsibilities, believes that a 1-year authorization will give the Congress a greater opportunity for impact on the agency.

More than this cannot be done, without compromising the freedom of the

SBA, without endangering the success of its operations. It is that element of freedom which, while it does not decrease the possibility for abuses, increases the opportunity for creativity. Power tends to corrupt, as Lord Acton said, but lack of power also corrupts. The Congress cannot change the fact that the seat of evil in this world lies not in men's institutions but in men themselves.

It is the job of the Congress to legislate, not regulate. In performing its oversight functions, the Congress must remain clear of the quagmire of administration, so that it may continue to offer policy and guidance assistance. Reproofs from the Congress ought to be grave and not taunting, just as a parent must instruct and not alienate. This will best serve the interests of the small businessman, who, after all, is the object of our concern.

The agency has, under a 1966 law, the power to subpena both documents and people with regard to its small business investment program. Under H.R. 15578, these investigatory powers would be extended to cover all acts which violate the regulations imposed by the agency in all of its programs.

Another safeguard against corruption is the requirement that all complaints by the public alleging illegal conduct on the part of SBA employees be submitted to the Congress on an annual basis. In addition, the administrator must also prepare each year a report summarizing the investigations undertaken by the SBA in connection with the operation of its programs.

The small entrepreneur needs protection not only from individual instances of corruption, but also from excessive government bureaucracy. As a curb to such abuses as may arise, the bill establishes within the SBA an office known as the Chief Counsel for Advocacy. In short, this high level executive would serve as an ombudsman for small business. This will increase the efficiency of the SBA, and give the man who really needs government help the full benefit of its services.

Businesses adversely affected by energy crisis situations, would be given assistance by this bill, under the SBA disaster loan program. Either their old loans could be refinanced, or new guaranteed or direct loans arranged. This is but another way in which this bill brings into the 1970's, an agency originally designed to meet the needs of the 1950's.

One great problem with the SBA has been the interest rate it charges on direct loans. In the recent past the direct loan program has subsidized small business by charging it interest at a rate lower than the cost of money to the Federal Government itself. A perverse result has been to reward small business borrowers who default on their market-interest rate loans, by SBA taking over the loans at 3 percent. By the provisions of this bill, such a delinquent borrower would pay interest at a rate equal to the cost of money to the Government, plus one-fourth of 1 percent to cover the costs of administration.

Direct loans may be expected to increase greatly as a result of this action by meeting the objections of the Office of Management and Budget in ending the subsidy aspect of the program. In addition, the bill mandates the extension of at least $400 million in direct business loans by the OMB, thus reversing a trend away from the direct to the guaranteed loan. This is a benefit to small business, since the interest rate charged under the revised direct loan program is still far lower than that charged by the banks.

Finally, the surety bond, which guarantees job performance, is raised from a maximum of $500,000 to $1 million. This to meet the increased demands imposed on small business over the past few years.

Whoever takes credit for the rain, an old farm saying goes, must take credit for the drought. The SBA, never one to minimize its accomplishments has, however, taken credit for the drought and worked these past few months to correct its faults. Learning of his errors, it is the fool who leaves them uncorrected. The SBA is no fool.

We are all familiar with the people who run small businesses. They live in our neighborhoods and sell us our groceries. Without them we would all be poorer, for they give our communities a sense of identity and spirit. Shoe leather may be dyed, foods canned, even birds stuffed. But these a society do not make. The heart of our Nation still lies in the breasts of her citizens and not in the memory banks of her computers.

A prescient American wrote in 1820:

> Subdivision of labor improves the art, but debilitates the artist, and converts the man into a mere breathing part of that machinery by which he works.

The United States needs its small businessmen, because it needs to remember that its success was built upon the sweat of men, not the oil of machines.

A nation runs as much on its character as on its cholesterol, as much on its small business spirit as on its big business product. Though the number of small businesses increase by 100,000 each year, of every 10 new small businesses created, 9 are discontinued. If we are to stay the course, then these failures must be limited, the SBA must be able to offer the kind of assistance required. Half of the country's workers depend on the prosperity of small businesses for their jobs. We would do well, by supporting this bill, to protect their livelihoods as a way of protecting our own.

Madam Chairman, before I close I would like to compliment the chairman and the ranking minority member of the Subcommittee on Small Business, who has done an outstanding job in conducting hearings, investigating the problems of the SBA and in making not only adequate but sound recommendations for the future conduct of the SBA. At the same time, I want to congratulate my colleague from Massachusetts, Mr. CONTE, who is on the Select Committee on Small Business. He has done an outstanding job through the years in helping those who have problems with small business.

Mr. STEPHENS. Madam Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. ROUSH).

Mr. ROUSH. Madam Chairman, I wish to commend the committee for bringing forth this legislation which will strengthen the Small Business Administration. I would also like to state my colleague from Massachusetts, Mr. CONTE, correctly pointed out that we have 9 million businessmen in this country and, as I understand it, 95 percent of all businessmen are small businessmen.

The small businessman has his back to the wall in many regards. It is not just financial help he needs. On last Friday I held a conference in my congressional district on small business. Participating were a representative of the Select Committee on Small Business of this House, a representative of the Department of Commerce, a representative of OSHA, a representative of SBA and others. The important thing that came from this confeernce was not the lecturing which came from these people but, rather, the input which came from the small businessmen in attendance. They described to us their problems in great detail. I shall put together a report, which I hope to have in the hands of each Member of the House within the next week or 10 days. I would hope that the Members might read this report and that from that they too might be inspired to receive from their constituents, small business men and women, their needs, for they are indeed many.

While I commend the committee for producing this legislation, I think there are many other areas to which this Congress could address itself which would be very helpful to the small businessman.

Mr. WINN. Madam Chairman, will the gentleman yield?

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

Mr. WINN. Madam Chairman, I want to commend the gentleman from Indiana for sending to all of the Members of the House the format of the meeting he has just described in which the members of the Small Business Administration, along with other Government agencies, have participated.

Because of the basic format and suggestions that he has sent around to all Members, I have taken the time and energy, as he did, to set up a similar program the first week in September for the Greater Kansas City area, including all of the same agencies. I look forward to having the same success that he did in his program.

Mr. ROUSH. I think the gentleman will be pleased with the result of his endeavor.

Mr. J. WILLIAM STANTON. Madam Chairman, I yield 1 minute to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Madam Chairman, I support H.R. 15578, Small Business Amendment of 1974. Small business is the backbone of our economic system and the real hope of our free enterprise system. These small businessmen do not ask for much—just for a chance to participate in the economy. I think it is ex-

tremely important that we make it possible for SBA to properly and adequately assist the small businessman.

Mr. STEPHENS. Madam Chairman, I yield 1 minute to the gentlewoman from Louisiana (Mrs. BOGGS).

Mrs. BOGGS. Madam Chairman, I am pleased with the action that the House is taking today on the Small Business Act Amendments (H.R. 15578), in particular the amendment to provide long-term, low-interest loans to small businessmen affected by the energy crisis. I had initially cosponsored this proposal with Mr. FRASER and others.

The proposal will allow the Small Business Administration to make or refinance loans to companies which are directly and seriously affected by the fuel shortage. The repayment period for the loans will be up to 30 years. Interest rates will be based on a formula used by the SBA in calculating the repayment terms for natural disaster loans.

This legislation is needed because of the uncertainties small businesses have faced in the past years with the varying administration of wage-price controls and, now, the shortage of energy. The legislation amends the section on natural disasters which is appropriate because the severe ramifications of the fuel shortage could not be predicted by the small concerns and is, thus, as similarly disastrous as a flood or an earthquake.

We cannot afford to lose any more of the independent, owner-operated businesses. They provide an element of competition in an economy dominated by large firms. They provide jobs for millions of people. Congress must take this action so that these companies can continue to provide much needed goods and services.

By providing easier access to credit and better payment terms we should be able to aid small tourist concerns, correlated businesses, and others who are dependent on easy availability of fuel—either as a raw material or as a factor needed for demand.

Mr. J. WILLIAM STANTON. Madam Chairman, I yield 1 minute to the gentleman from Oregon (Mr. DELLENBACK).

Mr. DELLENBACK. Madam Chairman, I thank the gentleman for yielding. I think the record of the SBA has been an excellent one.

There is not any question that in my district, in my State of Oregon, there has been great good that has been accomplished by it.

I think the provisions in this bill are highly desirable. I commend those who have worked so hard on it, the subcommittee and the committee. I thank them for bringing this bill to us, and I urge support of this legislation.

Mr. KYROS. Madam Chairman, I rise in support of the amendment that will be offered by the gentleman from Louisiana (Mr. TREEN) which will restore the rights of our fishermen as small businessmen to the benefits now available to every other businessman. It is indeed ironic that at a time when our fishing industry is facing great economic hardships, they should be cut off from their main sources of Federal assistance. I would hope that all my colleagues here would support this move to end the discrimination which resulted when the moratorium was placed on the fisheries loan fund by the NOAA Administrator in 1973. Speaking for my own fishermen in Maine, I know how important the SBA loans were to them in the interim, and they were frustrated in their attempts to seek loans elsewhere in these days of sky-high interest rates. It is known that the New England fishing industry is in need of economic assistance in order for them to compete on an equal level with the heavily subsidized foreign fleets fishing off our shores. The SBA cut-off of loan funds was the final blow in what they regard as Federal Government indifference to their problems. The amendment which is being offered now would permit loans to be granted while the National Oceanic and Atmospheric Administration is revising the old loan program. I am hopeful that some day funds will again be available from NOAA for our fishermen on the loan basis, but until that date, at least our fishermen will not be discriminated against as small businessmen. The wording of the amendment permits the SBA to end the duplication of Government programs as soon as the moratorium is lifted or a new loan program goes into effect. I earnestly hope that this amendment will receive unanimous support because it is the least we can do to our beleaguered fishermen.

I would also commend my colleagues' attention to the following letter from one of my constituents which clearly and starkly indicates the need for this amendment:

ORR'S ISLAND, MAINE,
July 23, 1974.

Congressman PETER KYROS,
Cannon House Office Building,
Washington, D.C.

CONGRESSMAN KYROS: I am writing in reference to the federal aid and assistance in the purchasing of a commercial fishing vessel.

Mr. F. Burton Whitman, the Vice-President of the Brunswick Savings Institution, in Brunswick, suggested that I contact you in this matter because you have been closely associated with the problems of the Maine fishermen.

I am 25 years old and married and have no children. I have been fishing for a couple of years on a dragger and am now on a lobster and tub-trawler. In this short time, I feel I am capable of owning and fishing my own boat. There is a boat for sale at this time in Portland. I know the boat and the skipper. The boat is eight years old, forty-five feet long, steel hulled, and fully equipped with electronics, all in very good condition.

The price of the boat is $60,000. My funds are minimal and this is the problem I face. Regular financing through a bank is not only difficult to obtain, but the interest rates are unbearably high. I have contacted a couple of low interest loan agencies, both Federal and local.

If you could suggest some more agencies and possibly contact them in my behalf and concerning the difficulty for young fishermen to get started in business, I would be very grateful.

Sincerely yours,

BRUCE M. DUGGAN.

Mr. HUNGATE. Madam Chairman, as a member of the House Select Committee on Small Business, I am greatly interested in the legislation before the House today to amend the Small Business Act.

Having served on two subcommittees which have investigated the impact of the energy crisis on small business, I am especially pleased by the provision in this legislation which would permit the Small Business Administration to give direct or guaranteed loans to small businesses affected by the energy crisis.

I also support the provision to increase SBA's loan, guarantee and investment ceiling from $4.875 billion to $6 billion to insure the continuation of those vital programs which presently offer assistance to small business.

Furthermore, I support the amendment to create a Chief Counsel for Advocacy, so that small businessmen can have a spokesman who can advocate their cause.

However, I do have serious reservations about the amendment to section 7 of the Small Business Act, which provides for a new method of calculating interest rates for direct loans. For years now, the Office of Management and Budget has directed the SBA to steadily reduce the amount and volume of direct and immediate participation loans. For example, in 1965, these loans accounted for 92.2 percent of SBA's business loan activities, and last year, this percentage fell to 6.8 percent. To me, this is an appalling statistic.

The administration's excuse for reducing the number of these loans was that, at the statutory 5½ percent interest rate, it costs the Government more to obtain these loans than it would receive in interest and thus these loans were being provided on a loss basis. As a result of this policy, many deserving businessmen were refused loans, and thus have been unable to begin or expand their business. Those able to obtain alternative financing were obliged to pay interest rates of up to 12 percent, and thus many small businessmen were forced to pay millions of dollars in excess interest rates.

Small businessmen are proud, self-reliant individuals, and they do not need subsidies to survive. However, Congress established this program to provide needed assistance to this vital sector of our economy and now, because of the present administration's inept economic policies, which has artificially driven up interest rates to phenomenal proportions, and thereby made these 5½-percent loans uneconomical for the Government to continue, these small businessmen must suffer.

I submit that, as the administration's mishandling of the economy is responsible for this situation, the administration has a special responsibility to assist these small businesses, which it has been persecuting by shutting off the availability of these loans.

I will support this bill only because it will make $400 million available for direct loans to small businessmen next year. Nonetheless, it should be made clear that, should this new formula for calculating interest rates result in higher interest rates, the burden falls upon this administration, which, by its actions and inaction, has shown that it is incapable of formulating an economic policy which fosters and encourages the growth of small business. It is indeed unfortunate that the burden for the present administration's economic ineptitude

should be borne by small businessmen, who historically have given so much to this Nation. I commend the Committee on Banking and Currency for this effort to help those who have been abandoned by this administration.

Mr. GILMAN. Madam Chairman, I rise in support of H.R. 15578, the Small Business Act amendments.

I am particularly pleased to support this measure because the Banking and Currency Committee has wisely seen fit to include in the reported bill, provisions of a measure I introduced and supported in March of this year.

My bill, H.R. 13196, authorized the SBA to provide low-interest loans to those small businesses which were seriously affected by shortages in energy producing materials.

There can be no doubt that this sort of assistance is essential for many of our small businessmen. The overwhelming impact of the energy crisis and the resultant shortages of petroleum and petroleum products seriously hampered the productivity of many industries taking the hardest toll on our Nation's smaller businesses.

Section 8 of the committee proposal provides for the issuance of SBA loans to assist or refinance the existing indebtedness of many small business concerns seriously and adversely affected by a shortage of raw or processed materials resulting from such shortages. I commend the committee for including this sorely needed provision and urge my colleagues to support the passage of this significant legislation.

Mr. BADILLO. Madam Chairman, I shall vote for H.R. 15578, which extends the programs of the Small Business Administration because, although the benefits derived from the program are limited, it is important that efforts of assistance in this area be maintained. However, it is time to acknowledge that these programs cannot accomplish the purpose for which they were created because their scope is too narrow and the range of tools available through them too restricted to permit effective response to existing needs.

Small business does not exist in a vacuum. Its success is heavily dependent upon overall economic growth. While the availability of capital is essential and loan programs and loan guarantees are needed, they will amount to very little if business demand is weak. When large industries desert an area, when growth rates drop, and when unemployment reaches high levels, small business suffers despite the loan guarantees we may provide for it.

Small businesses are the first to react unfavorably to decreased profit margins, higher costs of production, narrowing sources of supplies. In addition to the loss of overall job opportunities, the decline in economic growth in our poor areas carries with it a steady decline in ownership opportunities for small businessmen. There are unfortunately no readily available statistics to measure this trend, but ominous indicators appear in news accounts such as the New York Times' recent description of conditions at the Hunts Point Market.

This facility, which took the place of the Washington Market, the main conduit of fresh produce in New York City, was modernized at considerable cost. Its renovation, however, brought with it higher operating costs for cooperating dealers. As a result, while in 1966, 267 independent dealers sold merchandise to the public at the Washington Market, today there are only 89 remaining. Yet, not only does entrepreneurship present a real ladder of opportunity for the venturesome individual, it is also an excellent safeguard of consumer interests because it counteracts monopolistic control of production and distribution of goods. It is also a great contributor to the sound tax base of localities. The energy crisis last winter vividly brought home to us what can happen to the interests of the country and the consumer when huge corporations control production and distribution of vitally needed materials. The indirect costs of such control to the localities in which small, independent businesses were wiped out and imperiled have not yet been totaled.

The core cities of our Nation are steadily losing jobs. New York City in a period of just 1 year lost 36,000 jobs, and over a quarter million jobs were lost during the past 4 years. There was a reduction of 16,000 slots in the manufacturing sector; 10,000 in retail and wholesale trades; 5,000 in the finance, real estate and insurance industries—for a total loss of 44,000 jobs in private industry. These losses were only partially offset by a combined growth of 8,000 jobs in government and service industries, jobs, incidentally, which usually return lower wages and make a smaller contribution to the tax base of the locality concerned than do manufacturing jobs.

By 1965, almost a decade ago, there were sufficient indications to show that our central cities as well as some of our poor rural areas were headed for serious trouble. Economic growth, according to a study published by the Advisory Commission on Intergovernmental Relations, is related directly to rates of increase in the total population and inversely to rates of increase in nonwhite population. Between 1960 and 1965, the period of greatest population growth, over 15 percent was experienced in the metropolitan suburbs. The next greatest growth, 6 percent, occurred in nonmetropolitan towns with over 10,000 population. The central cities in metropolitan areas, however, showed a growth rate of only 3.5 percent and poor rural areas were last with only 3.3 percent.

Madam Chairman, I think it is time we accepted the fact that we can only help small business by inducing overall economic growth and we can only induce sound economic growth by reevaluating our approaches and giving serious thought to utilizing a hitherto little-used tool; namely, tax incentives and tax abatement as inducements to engender investment in economic growth and the creation of jobs. There is sufficient evidence available to us to indicate that such an approach can pay off.

In 1948, Puerto Rico, faced with widespread economic underdevelopment, high unemployment, exceedingly low per capita income, and insufficient utilization of its resources—indicators of economic malaise prevalent in our economically depressed areas—instituted an economic development plan dubbed "Operation Bootstrap." This effort consisted in granting real and personal property invested in certain types of industrial development exemption from municipal and Commonwealth taxes. The period of exemption varied and was directly related to the amount of investment. Thus, commitments of up to a million dollars earned a 5-year exemption, while ventures ranging between $1 and $3 million were rewarded with 6 years. The maximum exemption granted was for 10 years and required a commitment of $10 million.

When Puerto Rico evaluated the results of this policy in 1953 it found that the net income of the Commonwealth had increased from $612 million in fiscal year 1946–47 to $891 million during fiscal year 1951–52; that total wages and salaries earned had jumped from $322,776,000 to $537,627,000 and there had been a concurrent increase in the per capita income of over 50 percent.

Madam Chairman, our poor areas are not only lacking in capital, they are also deficient in available technical skills which would permit them to fully utilize their available resources. Our categorical programs, while filling certain needs, have fallen far short of bringing about the economic growth required. Admittedly, they were hampered by insufficient funding and uncoordinated administration in many instances. But their primary weakness derives from the uncertainty of their future and a deficiency of technical expertise. It would be easy to overcome these two difficulties by inducing private industry to put to work its know-how and investment capacities in areas of designated economic need through favorable tax policies. By rewarding not only investment but success, we would assure ample technical resources and would eliminate the uncertainty connected with categorical programs since the tax breaks granted the firms would signify an ongoing commitment to such an effort.

While I support the measure before us, I have been seeking for solutions to this broader range of problems. As a result of my research, I plan to introduce, within the next few months, a measure designed to promote economic growth by granting liberal tax incentives to industries willing and able to locate, relocate, and expand their operations in our economically depressed areas. I shall also include in my legislation tax credits for the establishment of meaningful job training and promotional policies. The participating firms will be rewarded by tax breaks in proportion to their commitment and in direct ratio to the success they achieve.

Nor is this all. One section of my measure will deal directly with the extension of ownership opportunities for small businessmen by working out a "turnkey" program with large, successful firms under which corporations would utilize their resources in the creation and development of small businesses tied to them for a period of time by long-range contracts but destined for eventual full ownership and control by independent entrepreneurs, or community development agencies capable of acting on behalf of their communities. The firms will be given an option to divert a designated portion of their Federal tax liability into designated types of investment. They will be given tax credits in direct relation to the amount of their investment as well as credits for the value of their technical assistance. If successful, they will be further rewarded with tax abatement on the income they derive from the sale of their share of stocks in the small, successful firm when its period of initial growth and development is over.

The economic situation of our country is extremely serious and the well-being of our citizens is severely imperiled. I think the time has now come for new approaches and an all-out commitment to meaningful economic development and growth policies. When my measure is ready for introduction I shall seek the cooperation of Members on both sides of the aisle and I hope that I shall receive their support.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Small Business Amendments of 1974".

SEC. 2. (a) The Small Business Act is amended—

(1) by redesignating subsection (b) of section 2 as subsection (c) and by adding after subsection (a) of that section the following new subsection:

"(b) The assistance programs authorized by sections 7(i) and 7(j) of this Act are to be utilized to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises, with special attention to small business concerns (1) located in urban or rural areas with high proportions of unemployed or low-income individuals; or (2) owned by low-income individuals; and to mobilize for these objectives private as well as public managerial skills and resources.";

(2) by striking out paragraphs (1) and (2) of section 4(c), and inserting in lieu thereof the following:

"(c)(1) There are hereby established in the Treasury the following revolving funds: (A) a disaster loan fund which shall be available for financing functions performed under sections 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(b)(8), 7(c)(2), and 7(g) of this Act, including administrative expenses in connection with such functions; and (B) a business loan and investment fund which shall be available for financing functions performed under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, including administrative expenses in connection with such functions.

"(2) All repayments of loans and debentures, payments of interest and other receipts arising out of transactions heretofore or hereafter entered into by the Administration (A) pursuant to sections 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(b)(8), and 7(c)(2) of this Act shall be paid into a disaster loan fund; and (B) pursuant to sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, shall be paid into the business loan and investment fund.";

(3) by striking out paragraph (4) of section 4(c), and inserting in lieu thereof the following:

"(4) The total amount of loans, guarantees, and other obligations or commitments, heretofore or hereafter entered into by the Administration, which are outstanding at any one time (A) under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, shall not exceed $6,000,000,000; (B) under title III of the Small Business Investment Act of 1958, shall not exceed $725,000,000; (C) under title V of the Small Business Investment Act of 1958, shall not exceed $525,000,000; and (D) under section 7(i) of this Act, shall not exceed $450,000,000."; and

(4) by adding at the end of section 7 the following three new subsections:

"(i)(1) The Administration also is empowered to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern, or to any qualified person seeking to establish such a concern, when it determines that such loans will further the policies established in section 2(b) of this Act, with particular emphasis on the preservation or establishment of small business concerns located in urban or rural areas with high proportions of unemployed or low-income individuals or owned by low-income individuals: *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed $50,000. The Administration may defer payments on the principal of such loans for a grace period and use such other methods as it deems necessary and appropriate to assure the successful establishment and operation of such concern. The Administration may, in its discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Administration: *Provided, however,* That any management training program so approved must be of sufficient scope and duration to provide reasonable opportunity for the individuals served to develop entrepreneurial and managerial self-sufficiency.

"(2) The Administration shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns, and shall seek to stimulate new private lending activities to such concerns through the use of the loan guarantees, participations in loans, and pooling arrangements authorized by this subsection.

"(3) To insure an equitable distribution between urban and rural areas for loans between $3,500 and $50,000 made under this subsection, the Administration is authorized to use the agencies and agreements and delegations developed under title III of the Economic Opportunity Act of 1964, as amended, as it shall determine necessary.

"(4) The Administration shall provide for the continuing evaluation of programs under this subsection, including full information on the location, income characteristics, and types of businesses and individuals assisted, and on new private lending activity stimulated, and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(5) Loans made pursuant to this subsection (including immediate participation in and guarantees of such loans) shall have such terms and conditions as the Administration shall determine, subject to the following limitations—

"(A) there is reasonable assurance of repayment of the loan;

"(B) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(C) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

"(D) the loan bears interest at a rate not less than (i) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (ii) such additional charge, if any, toward covering other costs of the program as the Administration may determine to be consistent with its purposes: *Provided, however,* That the rate of interest charged on loans made in redevelopment areas designated under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3108 et seq.) shall not exceed the rate currently applicable to new loans made under section 201 of that Act (42 U.S.C. 3142); and

"(E) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guarantees.

"(6) The Administration shall take such steps as may be necessary to insure that, in any fiscal year, at least 50 per centum of the amounts loaned or guaranteed pursuant to this subsection are allotted to small business concerns located in urban areas identified by the Administration as having high concentrations of unemployed or low-income individuals or to small business concerns owned by low-income individuals. The Administration shall define the meaning of low income as it applies to owners of small business concerns eligible to be assisted under this subsection.

"(7) No financial assistance shall be extended pursuant to this subsection where the Administration determines that the assistance will be used in relocating establishments from one area to another if such relocation would result in an increase in unemployment in the area of original location.

"(j)(1) The Administration is authorized to provide financial assistance to public or private organizations to pay all or part of the costs of projects designed to provide technical or management assistance to individuals or enterprises eligible for assistance under subsection 7(i) of the Act, with special attention to small business located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals.

"(2) Financial assistance under this subsection may be provided for projects, including without limitation—

"(A) planning and research, including feasibility studies and market research;

"(B) the identification and development of new business opportunities;

"(C) the furnishing of centralized services with regard to public services and Government programs including programs authorized under subsection 7(i);

"(D) the establishment and strengthening of business service agencies, including trade associations and cooperatives;

"(E) the encouragement of the placement of subcontracts by major business with small business concerns located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals, including the provision of incentives and assistance to such major businesses so that they will aid in the training and upgrading of potential subcontractors or other small business concerns; and

"(F) the furnishing of business counseling, management training, and legal and other related services, with special emphasis on the development of management training programs using the resources of the business community, including the development of management training opportunities in existing business, and with emphasis in all cases upon providing management training of sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency on the part of the individuals served.

"(3) The Administration shall give preference to projects which promote the ownership, participation in ownership, or management of small business concerns by residents of urban areas of high concentration of unemployed or low-income individuals, and to projects which are planned and carried out with the participation of local businessmen.

"(4) The financial assistance authorized by this subsection includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or services.

"(5) The Administration is authorized to make payments under grants and contracts entered into under this subsection in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments.

"(6) To the extent feasible, services under this subsection shall be provided in a location which is easily accessible to the individuals and small business concerns served.

"(7) The Administration shall provide for an independent and continuing evaluation of programs under this subsection, including full information on, and analysis of, the character and impact of managerial assistance provided, the location, income characteristics, and types of businesses and individuals assisted, and the extent to which private resources and skills have been involved in these programs. Such evaluation together with any recommendations deemed advisable by the Administration shall be included in the report required by section 10(a) of this Act.

"(8) The Administration shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of this subsection and of subsection 7(i) of this Act. The Administration shall provide for the continuing evaluation of programs under this subsection and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(k) In carrying out its functions under subsections 7(i) and 7(j) of this Act, the Administration is authorized—

"(1) to utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or political subdivision of a State, accept and utilize the service and facilities of such State or subdivision without reimbursement;

"(2) to accept, in the name of the Admnistration, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible, or intangible, received by gift, devise, bequest, or otherwise;

"(3) to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 655(b)); and

"(4) to employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), except that no individual may be employed under the authority of this subsection for more than one hundred days in any fiscal year; to compensate individuals so employed at rates not in excess of $100 per diem, including traveltime; and to allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b–2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually."

(b) Title IV of the Economic Opportunity Act of 1964 is hereby repealed; and all references to such title in the remainder of that Act are repealed.

SEC. 3. The Small Business Act is further amended—

(1) by amending section 5(b) by striking out "and" following paragraph (8), by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and by adding at the end of paragraph (9) the following new paragraphs:

"(10) upon purchase by the Administration of any deferred participation entered into under section 7 of this Act, continue to charge a rate of interest not to exceed that initially charged by the participating institution on the amount so purchased for the remaining term of the indebtedness; and

"(11) make such investigations as he deems necessary to determine whether a recipient of or participant in any assistance under this Act or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, or of any rule or regulation under this Act, or of any order issued under this Act. The Administration shall permit any person to file with it a statement in writing, under oath or otherwise as the Administration shall determine, as to all the facts and circumstances concerning the matter to be investigated. For the purpose of any investigation, the Administration is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpena issued to, any person, including a recipient or participant, the Administration may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Administration, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found."; and

(2) by striking out the third sentence in paragraph (2) of section 7(h) and inserting in lieu thereof: "The Administration's share of any loan made under this subsection shall bear interest at the rate of 3 per centum per annum."

SEC. 4. Section 10 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(g) The Administration shall transmit, not later than December 31 of each year, to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking and Currency of the House of Representatives a sealed report with respect to—

"(1) complaints alleging illegal conduct by employees of the Administration which were received or acted upon by the Administration during the preceding fiscal year; and

"(2) investigations undertaken by the Administration, including external and internal audits and security and investigation reports.".

SEC. 5. (a) The Small Business Investment Act of 1958 is amended—

(1) by striking out in the table of contents in section 101 all references to title IV and section numbers therein and inserting in lieu thereof the following:

"TITLE IV—GUARANTEES

"PART A—LEASE GUARANTEES

"Sec. 401. Authority of the Administration.
"Sec. 402. Powers.
"Sec. 403. Fund.

"PART B—SURETY BOND GUARANTEES

"Sec. 410. Definitions.
"Sec. 411. Authority of the Administration.
"Sec. 412. Fund.";

(2) by striking out section 403 and inserting in lieu thereof the following:

"FUND

"SEC. 403. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitations as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $10,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States;

except that moneys provided as capital for the fund shall not be so invested but shall be returned to the fund in such amounts and at such times as the Administrator determines to be appropriate, whenever the level of the fund herein established is sufficiently high to permit the return of such moneys without danger to the solvency of the program under this part:.";

(3) by striking out "$500,000" in section 411 and inserting in lieu thereof "$1,000,000"; and

(4) by adding after section 411 the following new section:

"FUND

"SEC. 412. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $35,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested but shall be returned to the fund in such amounts and at such times as the Administrator determines to be appropriate, whenever the level of the fund herein established is sufficiently high to permit the return of such moneys without danger to the solvency of the program under this part."

(b) Unexpended balance of appropriations made to the fund pursuant to section 403 of the Small Business Investment Act of 1958 (15 U.S.C. 694), as in effect prior to the effective date of this Act, shall be allocated, together with related assets and liabilities, to the funds established by paragraphs (2) and (4) of subsection (a) of this section in such amounts as the Administrator shall determine. In addition, the Administrator is authorized to transfer to the fund established by paragraph (4) of subsection (a) of this section not to exceed $2,000,000 from the fund established under section 4(c)(1)(B) of the Small Business Act: *Provided*, That section 4(c)(6) and the last sentence of section 4(c)(5) shall not apply to any amounts so transferred.

SEC. 6. Section 4(b) of the Small Business Act is amended—

(1) by striking out "three" in the third sentence and inserting in lieu thereof "four"; and

(2) by inserting after the third sentence the following new sentence: "One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and shall be responsible to the Administrator for the formulation of policy relating to the Administration's programs which provide assistance to minority small business concerns and in the review of the Administration's execution of such programs in light of such policy."

SEC. 7. Sections 7(a)(4)(B) and 7(a)(5)(B) of the Small Business Act are each amended to read as follows: "the rate of interest for the Administration's share of any such loan shall be the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest one-eighth of 1 per centum plus one-quarter of 1 per centum per annum; and".

SEC. 8. (a) Section 7(b) of the Small Business Act is amended by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and" and by adding immediately after paragraph (7) the following new paragraph:

"(8) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist, or refinance the existing indebtedness of, any small business concern seriously and adversely affected by a shortage of fuel, electrical energy, or energy-producing resources, or by a shortage of raw or processed materials resulting from such shortages, if the Administration determines that such concern has suffered or is likely to suffer substantial economic injury without assistance under this paragraph."

(b) The first paragraph following the numbered paragraphs of section 7(b) of the Small Business Act is amended by striking out "or (7)," immediately following "(6)," and inserting in lieu thereof "(7), or (8).".

SEC. 9. Section 5 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(e) The Administrator shall designate an individual within the Administration to be known as the Chief Counsel for Advocacy and to perform the following duties:

"(1) serve as a focal point for the receipt of complaints, criticisms, and suggestions concerning the policies and activities of the Administration and any other Federal agency which affects small businesses;

"(2) counsel small businesses on how to resolve questions and problems concerning the relationship of the small business to the Federal Government;

"(3) develop proposals for changes in the policies and activities of any agency of the Federal Government which will better fulfill the purposes of the Small Business Act and communicate such propsals to the appropriate Federal agencies;

"(4) represent the views and interests of small businesses before other Federal agencies whose policies and activities may affect small business; and

"(5) enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the programs and services provided by the Federal Government which are of benefit to small businesses, and information on how small businesses can participate in or make use of such programs and services.".

SEC. 10. Section 411(c) of the Small Business Investment Act is amended by inserting "based on sound actuarial methods and underwriting practices" immediately after "fee" in the first sentence of such section.

SEC. 11. Section 7(a) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(8) During the fiscal year ending June 30, 1975, the Administrator shall make direct loans under this subsection in an aggregate amount of not less than $400,000,000.".

Mr. STEPHENS (during the reading). Madam Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: On page 16, beginning in line 18, strike out "but shall be" and all that follows down through the colon in line 22, and insert in lieu thereof a period.

On page 18, beginning in line 6, strike out "but shall be" and all that follows down through "under this part" in line 11.

On page 18, line 12, strike out "appropriations made" and insert in lieu thereof "capital previously transferred".

On page 22, line 2, insert "of 1958" immediately after "Act".

On page 22, after line 11, insert the following:

"SEC. 12. The General Accounting Office is directed to conduct a full-scale audit of the Small Business Administration, including all field offices. This audit shall be submitted to the House and Senate not later than six months from the date of this Act."

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: On page 22, line 2 strike the word "shall" immediately following the word "Administrator," insert in lieu thereof the word "may," and, in line 3, delete the words "not less than" immeditely following the word "of."

Mr. ROUSSELOT. Madam Chairman, the amendment which I am offering today to H.R. 15578, the Small Business Act amendments, would change the wording in the new paragraph added to the act by section 11 of the bill to read:

(8) During the fiscal year ending June 30, 1975, the Administrator may make direct loans under this subsection in an aggregate amount of $400,000,000.

The language in section 11, as reported by the committee, would require the Administrator to spend $400 million in direct loans in fiscal year 1975.

I believe my amendment making the direct loans of $400 million permissible rather than mandatory is necessary for the following reasons:

First. A hard-and-fast requirement that a given amount of funds must be provided for direct loans may force the Administrator to relax or abandon nor-

mal requirements for approval in order to fulfill the quota.

Second. The mandating of this expenditure essentially amounts to an evasion and frustration of the appropriations process. If this bill were to become law in its present form, the Committee on Appropriations would be required to approve an appropriation of $400 million for direct loans regardless of its evaluation. This procedure reduces congressional control over the budget at a time when increased control is essential, and I believe, it violates the spirit of Public Law 93-344, the budget control legislation which was passed by Congress, and signed into law less than 3 weeks ago.

This amendment is an opportunity to demonstrate by action, rather than just rhetoric, our commitment to budget control, and I believe that it must be adopted.

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

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

Mr. ANNUNZIO. Madam Chairman, I thank my good friend, the gentleman from California, for yielding.

I have no quarrel with my friend, the gentleman from California (Mr. ROUSSELOT), as to his beliefs about the budget and putting it in balance, because we are all for a balanced budget and we are all against deficit spending. However, I would like to set the record straight in this respect:

This program for the small businessmen of America is important because of the direct loan features in the program. Throughout the entire investigation—and the gentleman from California participated as a member of the subcommittee, and he heard all of the testimony before the subcommittee—the real problem was the bank loan guarantee program. That is the program that has caused the trouble. That is the program that caused the collusion. That is the program that brought about the indictments that we have seen in Chicago where thousands of dollars of the taxpayers' money was given out in bad loans. That is the program that was responsible for the condition in Richmond and Philadelphia, not the direct program but the bank loan guarantee program.

Mr. ROUSSELOT. Madam Chairman, my colleague also understands that if we mandate this $400 million for direct loans, we may place a burden on the Administrator to put out money that in his judgment does not need to go out in loans.

So I will ask my colleagues to support this amendment.

Mr. STEPHENS. Madam Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. ROUSSELOT).

Madam Chairman, I appreciate the arguments that have been placed before the committee by the distinguished gentleman from California, but let me make this comment:

We have sent signals to the Small Business Administration, and to the administration. We have sent smoke signals, we have sent semaphore flag signals; we have sent our report signals; we have sent the committee reports when we passed a bill that we would like to have them get back into the direct loan program, and all of these signals that we have sent them have resulted, not in an increase, but in a reduction of the direct loan program to what is now 6.8 percent of direct loans of the whole volume of SBA loans. It has dissolved itself into a bank guaranteed loan program. I do not object to the bank guaranteed loan program, I just object to the unfair volume of business that has developed in that way, regardless of the fact that our hopes have been disregarded.

Madam Chairman, let me explain why I think it is important for us to have more direct loans. There are many small banks in the rural areas that cannot, for many reasons, get money to make guaranteed SBA bank loans. This should be utilized for direct loans in areas where you have a deficit of immediate capital against the lender, too. It is imperative that that be realized and we are asking for that.

Also, in the bill we are not asking any kind of back-door financing on this. We realize it must be done by the appropriate process, which is the only way that it ought to be done.

Mr. J. WILLIAM STANTON. Madam Chairman, will the gentleman yield?

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

Mr. J. WILLIAM STANTON. Madam Chairman, I would join with the chairman of the subcommittee in opposition to the amendment offered by the gentleman from California (Mr. ROUSSELOT). And, really, it is not that we wish to "get" the SBA, but because of the practices that have been used by the SBA for years, in which they have not followed out the original intent and purpose of the SBA as created by the Congress, which was to help on a direct loan basis the small businessmen of America.

All we are asking for, and telling the SBA and the OMB, and whoever else is involved, is that over this $6 billion ceiling, of this large amount of money, that $400 million would be utilized in direct loan applications.

There is no question, I am sure, of the author of the amendment that the number of applicants for this amount of money, far exceed the amount of money in question.

So I urge the defeat of this amendment.

Mr. ROUSSELOT. Madam Chairman, will the gentleman yield?

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

Mr. ROUSSELOT. Madam Chairman, I appreciate the gentleman yielding to me at this time.

I think the gentleman knows the main point that I am trying to make. The point is that even if the Committee on Appropriations decided that in this overwhelming funding problem that the Congress has in the appropriation process to find if there is $400 million available, and I do not believe there is, for these kinds of direct loans. The problem is in mandating it, I think, is a mistake, and is an improper imposition on the budget.

I do agree with the gentleman from Georgia and the gentleman from Ohio that it has been wrong in the past that the Office of Management and Budget has limited the ability of the Small Business Administration to utilize the direct loan program when, in the opinion of the Administrator, this really made it appropriate to put it in tandem with the guaranteed loan program. I still believe it is wrong for us to mandate the $400 million.

So I urge my colleagues to support the concept of making it permissible.

Mr. STEPHENS. Madam Chairman, as I say, I oppose this amendment, and I ask that we vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The amendment was rejected.

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Maryland: Page 11, line 25, at the end thereof insert "; and", and immediately after line 25, insert the following new paragraph:

(5)(A) in section 7(a)(4) thereof by inserting "or $500,000 in the case of any loan made in cooperation with a bank or other lending institution through an agreement to participate on a deferred basis" immediately after "$350,000"; and

(B) in section 7(a)(5) thereof by inserting "or $500,000 as the case may be," immediately after "$350,000".

Mr. MITCHELL of Maryland. Madam Chairman, we have a very difficult problem here in terms of a definition of "small business." There are a number of small businessmen who operate to the tune of $25,000 to $50,000 a year, and that is more than enough to keep them going. That is the level at which they want to operate—$25,000 or $35,000 or $50,000 a year. These are the persons that my colleague, the gentleman from New York (Mr. KOCH) alluded to. However, we have another set of small businessmen who need a great deal more money to operate effectively, and I am talking more specifically now about contractors, a construction firm, for example. In the light of the high costs that are with us today, in the light of inflationary costs, and in the light of a whole host of other economic factors, it seems to me that that small businessman who hopes to grow larger needs a higher loan ceiling. As he grows larger, he will cut his relationship with SBA to launch out as an independent to do this he needs a larger size loan in order to make it in this economic system.

Therefore, the purpose of my amendment is to put a loan ceiling of $500,000 for certain kinds of small businessmen, particularly contractors. But it should

be made clear that the $500,000 ceiling shall apply only when there is a bank participation loan.

I want to speak briefly to the comments that my friend, the gentleman from Illinois (Mr. ANNUNZIO) had to make about the bank participation program. Indeed, there were some bad things uncovered. On the other hand, I spent more than 3 months in my district working through the operation of the Small Business Administration that serves Maryland. We dug into the bank participation program. It was not as large in volume as I would want it to be, but there was not one scintilla of evidence of any kind of wrongdoing within the operation of the bank participation program as run by the Maryland SBA.

I think it is wise for us to consider the need to take that businessman who is not tiny, not big, but kind of in the middle range and make sure that we give him the money to launch him successfully so that in a few short years, he can be wooed away from SBA and become a moderate-sized small businessman operating on his own in an independent fashion. That is the purpose of my amendment, and I would urge my colleagues to support the amendment.

Mr. STEPHENS. Madam Chairman, I rise in opposition to the amendment. I hate to oppose the amendment proposed in all sincerity and honesty by my colleague, the gentleman from Maryland. I am opposing it because I think that the proposal that he has made, first, is a little premature. We considered this proposal in our amendment process in the committee, and the committee turned it down. This is why I say that his motion is premature. We still have our oversight investigations going on, and I hesitate to ask the House to increase the individual loan from $350,000 to $500,000 at the same time that we are considering oversight investigations.

When we finish our investigation or complete our oversight investigation I think that will be the proper time then to recognize what the gentleman has said, but I would prefer that we postpone this until a later time when it is more propitious to take it up. I just cannot ask the House to do that under these circumstances.

Mr. J. WILLIAM STANTON. Madam Chairman, will the gentleman yield?

Mr. STEPHENS. Madam Chairman, I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Madam Chairman, I join the chairman of the subcommittee in opposition to this amendment. It is a good amendment and it was carefully considered in the subcommittee and in the committee and regrettably it is a casualty of the investigation we are carrying on, but the committee did feel at this particular time, as the chairman of the subcommittee has said, that we could not agree to seek the increase of the ceiling, as the gentleman from Illinois said, to raise the ceiling at this particular time before our investigation is completed.

So, Madam Chairman, I oppose the amendment.

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

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

Mr. ANNUNZIO. Madam Chairman, I associate myself with the remarks of the gentleman from Georgia (Mr. STEPHENS) and the gentleman from Ohio (Mr. STANTON). Also, I commend my good friend, the gentleman from Maryland. I am delighted that in Baltimore the SBA officials have done a good, honest and conscientious job.

As the chairman of the subcommittee has said, we discussed this matter fully in the subcommittee. It is premature at this time to increase the ceiling from $350,000 to $500,000. I think when we start talking about $500,000, we will have to find a new name for the administration, because when we get into the realm of $500,000 it is no longer small business.

So I say to the gentleman from Maryland, whom I admire a great deal, I must oppose his amendment at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

The amendment was rejected.

AMENDMENT OFFERED BY MR. COTTER

Mr. COTTER. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COTTER: Page 21, strike out lines 19 through 22 and insert in lieu thereof the following new section:

Sec. 10. (a) The first sentence of section 411(c) of the Small Business Investment Act of 1958 is amended by inserting "administer this program on a prudent and economically justifiable basis and shall" immediately after "shall".

(b) Section 411(c) of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following: "Within 30 days after the date of enactment of this sentence and at monthly intervals thereafter, the Administration shall publish the cost of the program to the Administration for the month immediately preceding the date of publication. The Administration shall conduct a study of the program in order to determine what must be done to make the program economically sound. Within one year after the date of enactment of this sentence, the Administration shall transmit a report to Congress containing a detailed statement of the findings and conclusions of the study, together with its recommendations for such legislative and administrative actions as it deems appropriate."

Mr. COTTER. Madam Chairman, I am offering this amendment to improve the administration of the SBA surety bond program.

This amendment would require the SBA to keep careful tract of the costs of the surety bond program by requiring the SBA to report on a monthly basis the losses in the surety bond program.

Second, it would require an intensive 1-year study to provide legislative and administrative recommendations to establish financial self-sufficiency in the surety bond program.

This substitute amendment removes an amendment I added in the full committee and gives the SBA another chance to cut the American taxpayers' losses in this program without hurting small contractors, especially minority contractors who depend on the SBA surety bond program.

If I could impose a minute on my colleagues, I would just like to explain how I came to offer my original amendment and the reasons for this new substitute.

When SBA Administrator Tom Kleppe came before the House Banking Subcommittee on Small Business, I asked him what the loss experience was under the SBA surety bond program. I was amazed to learn that the losses were two to three times the premium charged. Or, to put it more simply, the SBA took in $3 million in premiums and will pay out more than $12 million in claims. The U.S. taxpayer is left holding the bag for almost $9 million.

As my colleagues are aware, the SBA actually assumes 90 percent of the liability of these performance bonds. Therefore, I was deeply concerned that with the increase in the bonding level from $500,000 to $1 million, and with the poor administration of this program, the U.S. taxpayers' liability would increase even more dramatically during the next few years. Therefore, I amended the bill to specifically require that the SBA premiums more nearly equal the losses experienced under this program. In short, I want to put this program on a sound actuarial and underwriting basis.

After consultation with SBA and others, I am concerned that this increase in fee, with SBA estimates at six-tenths of 1 percent of the face value of the bond, could undermine the competitive position of the small contractor as well as virtually eliminating the surety bond program.

Therefore, I am offering an amendment which would remove this drastic remedy, but put in its place a system of public monthly reports on losses and a comprehensive 12-month study that will require SBA to make legislative and administrative recommendations that will make this program actuarially sound.

The purpose of the monthly reports are twofold: First, this data will be essential to provide the loss experience needed to make this program actuarially sound. Second, by requiring public information on losses, the SBA will remain under congressional pressure to upgrade its administration of the program to cut losses.

The reasons for the year-long study is obvious. The members of the Banking Committee overwhelmingly supported the idea that this program must be made actuarially sound. This detailed study will give the SBA another opportunity to attain this goal.

If the SBA again shows itself to be unwilling or unable to rectify the shortcomings in this program, I will not hesitate to require more stringent and mandatory actions.

Madam Chairman, I am convinced that if the SBA and the surety companies diligently apply prudent underwriting standards that the losses incurred in the surety bond program can be reduced significantly without requir-

ing the raising of fees which would put small contractors at a competitive disadvantage. In my own research in this area I do not believe that sound underwriting standards have been followed.

Perhaps more thought should be given to lowering the 90 percent liability assumed by the SBA or, if additional fees must be charged to make the surety program actuarially sound, perhaps it should be the sureties who pay the additional premiums. I make these suggestions in the hope that they and others will be considered by the SBA in formulating this comprehensive report.

My substitute amendment provides a stimulus and a challenge to the SBA. I will be watching carefully to make sure that this amendment results in bringing the losses in the surety bond program more in line with the fees collected.

In conclusion, Madam Chairman, I would be remiss if I did not mention the efforts and contributions of my friend and colleague from Maryland (Mr. MITCHELL) who worked diligently with me on this substitute amendment and whose support I value highly.

Mr. STEPHENS. Madam Chairman, will the gentleman yield?

Mr. COTTER. I yield to the gentleman from Georgia.

Mr. STEPHENS. Madam Chairman, I would like to say that the amendment is a good amendment and we will accept it.

Mr. COTTER. I thank the gentleman from Georgia.

Mr. J. WILLIAM STANTON. Madam Chairman, will the gentleman yield?

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

Mr. J. WILLIAM STANTON. Madam Chairman, I join the chairman of the subcommittee in accepting this amendment and I compliment the gentleman in the well because he has in the full committee and the subcommittee contributed a great deal of personal knowledge and experience on this subject.

What the gentleman attempts to do in his amendment, and as explained in his remarks we did adopt but we think this is a better approach and we accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. COTTER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TREEN

Mr. TREEN. Madam Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TREEN: Page 14, immediately after line 19, insert the following new section:

SEC. 5. Section 18 of the Small Business Act is amended by adding at the end thereof the following new sentence: "If loan applications are being refused or loans denied by such other department or agency responsible for such work or activity due to administrative withholding from obligation or withholding from apportionment, or due to administratively declared moratorium, then, for purposes of this section, no duplication shall be deemed to have occurred."

Redesignate the succeeding sections accordingly.

Mr. TREEN. Madam Chairman, on December 4, 1973, this Congress adopted House Congressional Resolution 173, which I introduced with many cosponsors, declaring it to be congressional policy to afford the fishing industry "all support necessary to have it strengthened." Today we have an opportunity to implement that policy.

The need for such implementation is very great indeed. The small fishing industry in this country is in desperate need of assistance. For example, in my own district in Louisiana shrimp fishermen have experienced a 50-percent drop in the price they receive for their catch while operating costs have reached staggering proportions.

I offer an amendment to clarify section 18 of the Small Business Act, and not to change the policy it enunciates. Congress has always limited the availability of SBA assistance to those small businesses unable to obtain financing through local banking institutions and which do not qualify for other Government loan programs. I endorse that policy and wish only to clarify its interpretation.

Fishermen throughout the United States are not able, by and large, to obtain private commercial loans to finance their operations and the purchase of gear. Congress offered them relief through the Fisheries Loan Fund, created by Congress in section 4 of the Fish and Wildlife Act of 1956—84 Stat. 829; 16 U.S.C. 742c. However, the Administrator of the National Oceanic and Atmospheric Administration—who had been charged by the Secretary of Commerce with the responsibility for administering the program after the Reorganization Act of 1970—announced in the February 20, 1973 Federal Register the imposition of a moratorium on applications for loans from the fund. The moratorium was effective March 1, 1973, and is still in effect.

Our fishermen looked to the Small Business Administration for loans. The Small Business Administration responded with a standard operating procedure message to all regional administrators. It is dated February 15, 1974, and states:

If loans are denied to applicants by the Department of Commerce for administrative reasons (such as moratoriums, freezing of funds, or restrictions against making loans to particular types of enterprises relating to fishing, etc.), then applications for such loans should not be accepted by SBA.

The only purpose of this amendment is to state that it is the intent of Congress that by the word "duplication" in section 18 we do not mean to describe a program that is subject to a moratorium or an administrative withholding of funds.

Mr. STEPHENS. Madam Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Georgia.

Mr. STEPHENS. I would like to tell the gentleman, I have looked over his amendment and I agree with the minority that this is a good amendment. At the proper time I will move it be adopted.

Mr. J. WILLIAM STANTON. Madam Chairman, will the gentleman yield?

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

Mr. J. WILLIAM STANTON. The gentleman has done the committee a favor in bringing this to our attention. We support the amendment and endorse it wholeheartedly.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana (Mr. TREEN).

The amendment was agreed to.

The CHAIRMAN. If there are no further amendments, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mrs. MINK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15578) to amend the Small Business Act, the Small Business Investment Act, and for other purposes, pursuant to House Resolution 1246, she reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. STEPHENS. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency be discharged from the further consideration of the bill (S. 3331) to clarify the authority of the Small Business Administration, to increase the authority of the Small Business Administration, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia (Mr. STEPHENS)?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 3331

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Amendments of 1974".

SEC. 2. (a) The Small Business Act is amended—

(1) by redesignating subsection (b) of section 2 as subsection (c) and by adding after subsection (a) of that section the following new subsection:

"(b) The assistance programs authorized by sections 7(i) and 7(j) of this Act are to be utilized to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises,

with special attention to small business concerns (1) located in urban or rural areas with high proportions of unemployed or low-income individuals; or (2) owned by low-income individuals; and to mobilize for these objectives private as well as public managerial skills and resources.";

(2) by striking out paragraphs (1) and (2) of section 4(c), and inserting in lieu thereof the following:

"(c)(1) There are hereby established in the Treasury the following revolving funds: (A) a disaster loan fund which shall be available for financing functions performed under sections 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(c)(2), and 7(g) of this Act, including administrative expenses in connection with such functions; and (B) a business loan and investment fund which shall be available for financing functions performed under 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, including administrative expenses in connection with such functions.

"(2) All repayments of loans and debentures, payments of interest and other receipts arising out of transactions heretofore or hereafter entered into by the Administration (A) pursuant to sections 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), and 7(c)(2) of this Act shall be paid into a disaster loan fund; and (B) pursuant to sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, shall be paid into the business loan and investment fund.";

(3) by striking out paragraph (4) of section 4(c), and inserting in lieu thereof the following:

"(4) The total amount of loans, guarantees, and other obligations or commitments, heretofore or hereafter entered into by the Administration, which are outstanding at any one time (A) under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, shall not exceed $6,000,000,000; (B) under title III of the Small Business Investment Act of 1958, shall not exceed $725,000,000; (C) under title V of the Small Business Investment Act of 1958, shall not exceed $525,000,000; and (D) under section 7(i) of this Act, shall not exceed $450,000,000."; and

(4) by adding at the end of section 7 the following three new subsections:

"(i)(1) The Administration also is empowered to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern, or to any qualified person seeking to establish such a concern, when it determines that such loans will further the policies established in section 2(b) of this Act, with particular emphasis on the preservation or establishment of small business concerns located in urban or rural areas with high proportions of unemployed or low-income individuals or owned by low-income individuals: *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed $50,000. The Administration may defer payments on the principal of such loans for a grace period and use such other methods as it deems necessary and appropriate to assure the successful establishment and operation of such concern. The Administration may, in its discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Administration: *Provided, however,* That any management training program so approved must be of sufficient scope and duration to provide reasonable opportunity for the individual served to develop entrepreneurial and managerial self-sufficiency.

"(2) The Administration shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns, and shall seek to stimulate new private lending activities to such concerns through the use of the loan guarantees, participations in loans, and pooling arrangements authorized by this subsection.

"(3) To insure an equitable distribution between urban and rural areas for loans between $3,500 and $50,000 made under this subsection, the Administration is authorized to use the agencies and agreements and delegations developed under title III of the Economic Opportunity Act of 1964, as amended, as it shall determine necessary.

"(4) The Administration shall provide for the continuing evaluation of programs under this subsection, including full information on the location, income characteristics, and types of businesses and individuals assisted, and on new private lending activity stimulated, and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(5) Loans made pursuant to this subsection (including immediate participation in and guarantees of such loans) shall have such terms and conditions as the Administration shall determine, subject to the following limitations—

"(A) there is reasonable assurance of repayment of the loan;

"(B) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(C) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

"(D) the loan bears interest at a rate not less than (i) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (ii) such additional charge, if any, toward covering other costs of the program as the Administration may determine to be consistent with its purposes. *Provided, however,* That the rate of interest charged on loans made in redevelopment areas designated under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3108 et seq.) shall not exceed the rate currently applicable to new loans made under section 201 of that Act (42 U.S.C. 3142); and

"(E) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guarantees.

"(6) The Administration shall take such steps as may be necessary to insure that, in any fiscal year, at least 50 per centum of the amounts loaned or guaranteed pursuant to this subsection are allotted to small business concerns located in urban areas identified by the Administration as having high concentrations of unemployed or low-income individuals or to small business concerns owned by low-income individuals. The Administration shall define the meaning of low income as it applies to owners of small business concerns eligible to be assisted under this subsection.

"(7) No financial assistance shall be extended pursuant to this subsection where the Administration determines that the assistance will be used in relocating establishments from one area to another if such relocation would result in an increase in unemployment in the area of original location.

"(j)(1) The Administration is authorized to provide financial assistance to public or private organizations to pay all or part of the cost of projects designed to provide technical or management assistance to individuals or enterprises eligible for assistance under subsection 7(i) of this Act, with special attention to small business located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals.

"(2) Financial assistance under this subsection may be provided for projects, including without limitation—

"(A) planning and research, including feasibility studies and market research;

"(B) the identification and development of new business opportunities;

"(C) the furnishing of centralized services with regard to public services and Government programs including programs authorized under subsection 7(i);

"(D) the establishment and strengthening of business service agencies, including trade associations and cooperatives;

"(E) the encouragement of the placement of subcontracts by major business with small business concerns located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals, including the provision of incentives and assistance to such major businesses so that they will aid in the training and upgrading of potential subcontractors or other small business concerns; and

"(F) the furnishing of business counseling, management training, and legal and other related services, with special emphasis on the development of management training programs using the resources of the business community, including the development of management training opportunities in existing businesses, and with emphasis in all cases upon providing management training of sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency on the part of the individual served.

"(3) The Administration shall give preference to projects which promote the ownership, participation in ownership, or management of small business concerns by residents of urban areas of high concentration of unemployed or low-income individuals, and to projects which are planned and carried out with the participation of local businessmen.

"(4) The financial assistance authorized by this subsection includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or services.

"(5) The Administration is authorized to make payments under grants and contracts entered into under this subsection in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments.

"(6) To the extent feasible, services under this subsection shall be provided in a location which is easily accessible to the individuals and small business concerns served.

"(7) The Administration shall provide for an independent and continuing evaluation of programs under this subsection, including full information on, and analysis of, the character and impact of managerial assistance provided, the location, income characteristics, and types of businesses and individuals assisted, and the extent to which private resources and skills have been involved in these programs. Such evaluation together with any recommendations deemed advisable by the Administration shall be included in the report required by section 10(a) of this Act.

"(8) The Administration shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads

of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of this subsection and of subsection 7(i) of this Act. The Administration shall provide for the continuing evaluation of programs under this subsection and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(k) In carrying out its functions under subsections 7(i) and 7(j) of this Act, the Administration is authorized—

"(1) to utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or political subdivision of a State, accept and utilize the services and facilities of such State or subdivision without reimbursement;

"(2) to accept in the name of the Administration, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible or intangible, received by gift devise, bequest, or otherwise;

"(3) to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)); and

"(4) to employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), except that no individual may be employed under the authority of this subsection for more than one hundred days in any fiscal year; to compensate individuals so employed at rates not in excess of $100 per diem, including traveltime; and to allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b–2) for persons in the Government service employed intermittently while so employed: *Provided, however,* That contracts for such employment may be renewed annually."

(b) Title IV of the Economic Opportunity Act of 1964 is hereby repealed; and all references to such title in the remainder of that Act are repealed.

SEC. 3. The Small Business Act is further amended—

(1) by amending section 5(b) by striking out "and" following paragraph (8), by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and" and by adding at the end of paragraph (9) the following new paragraph:

"(10) upon purchase by the Administration of any deferred participation entered into under section 7 of this Act, continue to charge a rate of interest not to exceed that initially charged by the participating institution on the amount so purchased for the remaining term of the indebtedness.";

and

(2) by striking out the third sentence in paragraph (2) of section 7(h) and inserting in lieu thereof: "The Administration's share of any loan made under this subsection shall bear interest at the rate of 3 per centum per annum."

SEC. 4. (a) Section 7(a)(4)(A) of the Small Business Act is amended by striking out "$350,000" and inserting in lieu thereof "$500,000".

(b) Section 7(a)(5)(A) of such Act is amended by striking out "$350,000" and inserting in lieu thereof "$500,000".

SEC. 5. Section 10 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(g) The Administration shall transmit, not later than December 31 of each year, to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking and Currency of the House of Representatives a sealed report with respect to public complaints alleging illegal conduct by employees of the Administration which were received or acted upon by the Administration during the preceding fiscal year."

SEC. 6. (a) The Small Business Investment Act of 1958 is amended—

(1) by striking out in the table of contents in section 101 all references to title IV and section numbers therein and inserting in lieu thereof the following:

"TITLE IV—GUARANTEES

"PART A—LEASE GUARANTEES

"Sec. 401. Authority of the Administration.
"Sec. 402. Powers.
"Sec. 403. Fund.

"PART B—SURETY BOND GUARANTEES

"Sec. 410. Definitions.
"Sec. 411. Authority of the Administration.
"Sec. 412. Fund.";

(2) by striking out section 403 and inserting in lieu thereof the following:

"FUND

"SEC. 403. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $10,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested but shall be returned to the fund in such amounts and at such times as the Administrator determines to be appropriate, whenever the level of the fund herein established is sufficiently high to permit the return of such moneys without danger to the solvency of the program under this part.";

(3) by striking out "$500,000" in section 411 and inserting in lieu thereof "$1,000,000"; and

(4) by adding after section 411 the following new section:

"FUND

"SEC. 412. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $35,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested but shall be returned to the fund in such amounts and at such times as the Administrator determines to be appropriate, whenever the level of the fund herein established is sufficiently high to permit the return of such moneys without danger to the solvency of the program under this part."

(b) Unexpended balances of appropriations made to the fund pursuant to section 403 of the Small Business Investment Act of 1958 (15 U.S.C. 694), as in effect prior to the effective date of this Act, shall be allocated, together with related assets and liabilities, to the funds established by paragraphs (2) and (4) of subsection (a) of this section in such amounts as the Administrator shall determine.

SEC. 7. Section 4(b) of the Small Business Act is amended—

(1) by striking out "three" in the third sentence and inserting in lieu thereof "four"; and

(2) by inserting after the third sentence the following new sentence: "One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and shall be responsible for the formulation of policy relating to the Administration's programs which provide assistance to minority small business concerns and in the review of the Administration's execution of such programs in the light of such policy.".

MOTION OFFERED BY MR. STEPHENS

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

The Clerk read as follows:

MR. STEPHENS moves to strike out all after the enacting clause of the bill S. 3331 and to insert in lieu thereof the provisions of the bill H.R. 15578, as passed, as follows:

That this Act may be cited as the "Small Buisness Amendments of 1974".

SEC. 2. (a) The Small Business Act is amended—

(1) by redesignating subsection (b) of section 2 as subsection (c) and by adding after subsection (a) of that section the following new subsection:

"(b) The assistance programs authorized

by sections 7(i) and 7(j) of this Act are to be utilized to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises, with special attention to small business concerns (1) located in urban or rural areas with high proportions of unemployed or low-income individuals; or (2) owned by low-income individuals; and to mobilize for these objectives private as well as public managerial skills and resources.";

(2) by striking out paragraphs (1) and (2) of section 4(c), and inserting in lieu thereof the following:

"(c)(1) There are hereby established in the Treasury the following revolving funds: (A) a disaster loan fund which shall be available for financing functions performed under sections 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(b)(8), 7(c)(2), and 7(g) of this Act, including administrative expenses in connection with such functions; and (B) a business loan and investment fund which shall be available for financing functions performed under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, including administrative expenses in connection with such functions.

"(2) All repayments of loans and debentures, payments of interest and other receipts arising out of transactions heretofore or hereafter entered into by the Administration (A) pursuant to sections 7(b)(1), 7(b)(2), 7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(b)(8), and 7(c)(2) of this Act shall be paid into a disaster loan fund; and (B) pursuant to sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, and titles III and V of the Small Business Investment Act of 1958, shall be paid into the business loan and investment fund.";

(3) by striking out paragraph (4) of section 4(c), and inserting in lieu thereof the following:

"(4) The total amount of loans, guarantees, and other obligations or commitments, heretofore or hereafter entered into by the Administration, which are outstanding at any one time (A) under sections 7(a), 7(b)(3), 7(e), 7(h), 7(i), and 8(a) of this Act, shall not exceed $6,000,000,000; (B) under title III of the Small Business Investment Act of 1958, shall not exceed $725,000,000; (C) under title V of the Small Business Investment Act of 1958, shall not exceed $525,000,000; and (D) under section 7(i) of this Act, shall not exceed $450,000,000.": and

(4) by adding at the end of section 7 the following three new subsections:

"(i)(1) The Administration also is empowered to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern, or to any qualified person seeking to establish such a concern, when it determines that such loans will further the policies established in section 2(b) of this Act, with particular emphasis on the preservation or establishment of small business concerns located in urban or rural areas with high proportions of unemployed or low-income individuals or owned by low-income individuals; *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed $50,000. The Administration may defer payments on the principal of such loans for a grace period and use such other methods as it deems necessary and appropriate to assure the successful establishment and operation of such concern. The Administration may, in its discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Administration: *Provided, however,* That any management training program so approved must be of sufficient scope and duration to provide reasonable opportunity for the individuals served to develop entrepreneurial and managerial self-sufficiency.

"(2) The Administration shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns and shall seek to stimulate new private lending activities to such concerns through the use of the loan guarantees, participations in loans, and pooling arrangements authorized by this subsection.

"(3) To insure an equitable distribution between urban and rural areas for loans between $3,500 and $50,000 made under this subsection, the Administration is authorized to use the agencies and agreements and delegations developed under title III of the Economic Opportunity Act of 1964, as amended, as it shall determine necessary.

"(4) The Administration shall provide for the continuing evaluation of programs under this subsection including full information on the location, income characteristics, and types of businesses and individuals assisted, and on new private lending activity stimulated, and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(5) Loans made pursuant to this subsection (including immediate participation in and guarantees of such loans) shall have such terms and conditions as the Administration shall determine, subject to the following limitations—

"(A) there is reasonable assurance of repayment of the loan;

"(B) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

"(C) the amount of the loan together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

"(D) the loan bears interest at a rate not less than (i) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (ii) such additional charge, if any, toward covering other costs of the program as the Administration may determine to be consistent with its purposes: *Provided, however,* That the rate of interest charged on loans made in redevelopment areas designated under the Public Works and Economic Development Act of 1965 (42 U.S.C. 3108 et seq.) shall not exceed the rate currently applicable to new loans made under section 201 of that Act (42 U.S.C. 3142); and

"(E) fees not in excess of amounts necessary to cover administrative expenses and probable loses may be required on loan guarantees.

"(6) The Administration shall take such steps as may be necessary to insure that, in any fiscal year, at least 50 per centum of the amounts loaned or guaranteed pursuant to this subsection are allotted to small business concerns located in urban areas identified by the Administration as having high concentrations of unemployed or low-income individuals or to small business concerns owned by low-income individuals. The Administration shall define the meaning of low income as it applies to owners of small business concerns eligible to be assisted under this subsection.

"(7) No financial assistance shall be extended pursuant to this subsection where the Administration determines that the assistance will be used in relocating establishments from one area to another if such relocation would result in an increase in unemployment in the area of original location.

"(j)(1) The Administration is authorized to provide financial assistance to public or private organizations to pay all or part of the cost of projects designed to provide technical or management assistance to individuals or enterprises eligible for assistance under subsection 7(i) of this Act, with special attention to small business located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals.

"(2) Financial assistance under this subsection may be provided for projects, including without limitation—

"(A) planning and research, including feasibility studies and market research;

"(B) the identification and development of new business opportunities;

"(C) the furnishing of centralized services with regard to public services and Government programs including programs authorized under subsection 7(i);

"(D) the establishment and strengthening of business service agencies, including trade associations and cooperatives;

"(E) the encouragement of the placement of subcontracts by major business with small business concerns located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals, including the provision of incentives and assistance to such major businesses so that they will aid in the training and upgrading of potential subcontractors or other small business concerns; and

"(F) the furnishing of business counseling, management training, and legal and other related services, with special emphasis on the development of management training programs using the resources of the business community, including the development of management training opportunities in existing businesses, and with emphasis in all cases upon providing management training of sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency on the part of the individuals served.

"(3) The Administration shall give preference to projects which promote the ownership, participation in ownership, or management of small business concern by residents of urban areas of high concentration of unemployed or low-income individuals, and to projects which are planned and carried out with the participation of local businessmen.

"(4) The financial assistance authorized by this subsection includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or services.

"(5) The Administration is authorized to make payments under grants and contracts entered into under this subsection in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments.

"(6) To the extent feasible, services under this subsection shall be provided in a location which is easily accessible to the individuals and small business concerns served.

"(7) The Administration shall provide for an independent and continuing evaluation of programs under this subsection, including full information on, and analysis of, the character and impact of managerial assistance provided, the location, income characteristics, and types of businesses and individuals assisted, and the extent to which private resources and skills have been involved

in these programs. Such evaluation together with any recommendations deemed advisable by the Administration shall be included in the report required by section 10(a) of this Act.

"(8) The Administration shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of this subsection and of subsection 7(i) of this Act. The Administration shall provide for the continuing evaluation of programs under this subsection and the results of such evaluation together with recommendations shall be included in the report required by section 10(a) of this Act.

"(k) In carrying out its functions under subsections 7(i) and 7(j) of this Act, the Administration is authorized—

"(1) to utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or political subdivision of a State, accept and utilize the services and facilities of such State or subdivision without reimbursement;

"(2) to accept, in the name of the Administration, and employ or dispose of in furtherance of the purposes of this Act, any money or property, real, personal, or mixed, tangible, or intangible, received by gift, devise, bequest, or otherwise;

"(3) to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 655(b)); and

"(4) to employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), except that no individual may be employed under the authority of this subsection for more than one hundred days in any fiscal year; to compensate individuals so employed at rates not in excess of $100 per diem, including traveltime; and to allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b–2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually."

(b) Title IV of the Economic Opportunity Act of 1964 is hereby repealed; and all references to such title in the remainder of that Act are repealed.

SEC. 3 The Small Business Act is further amended—

(1) by amending section 5(b) by striking out "and" following paragraph (8), by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon and by adding at the end of paragraph (9) the following new paragraphs:

"(10) upon purchase by the Administration of any deferred participation entered into under section 7 of this Act, continue to charge a rate of interest not to exceed that initially charged by the participating institution on the amount so purchased for the remaining term of the indebtedness; and

"(11) make such investigations as he deems necessary to determine whether a recipient of or participant in any assistance under this Act or any other person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, or of any rule or regulation under this Act, or of any order issued under this Act. The Administration shall permit any person to file with it a statement in writing, under oath or otherwise as the Administration shall determine, as to all the facts and circumstances concerning the matter to be investigated. For the purpose of any investigation, the Administration is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpena issued to, any person, including a recipient or participant, the Administration may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Administration, there to produce records, if so ordered, or to give testimony touching the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All processes in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found."; and

(2) by striking out the third sentence in paragraph (2) of section 7(h) and inserting in lieu thereof: "The Administration's share of any loan made under this subsection shall bear interest at the rate of 3 per centum per annum."

SEC. 4. Section 10 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(g) The Administration shall transmit, not later than December 31 of each year, to the Committee on Banking, Housing and Urban Affairs of the Senate and the Committee on Banking and Currency of the House of Representatives a sealed report with respect to—

"(1) complaints alleging illegal conduct by employees of the Administration which were received or acted upon by the Administration during the preceding fiscal year; and

"(2) investigations undertaken by the Administration, including external and internal audits and security and investigation reports.".

SEC. 5. Section 18 of the Small Business Act is amended by adding at the end thereof the following new sentence: "If loan applications are being refused or loans denied by such other department or agency responsible for such work or activity due to administrative withholding from obligation or withholding from apportionment, or due to administratively declared moratorium, then, for purposes of this section, no duplication shall be deemed to have occurred."

SEC. 6. (a) The Small Business Investment Act of 1958 is amended—

(1) by striking out in the table of contents in section 101 all references to title IV and section numbers therein and inserting in lieu thereof the following:

"TITLE IV—GUARANTEES

"PART A—LEASE GUARANTEES

"Sec. 401. Authority of the Administration.
"Sec. 402. Powers.
"Sec. 403. Fund.

"PART B—SURETY BOND GUARANTEES

"Sec. 410. Definitions.
"Sec 411. Authority of the Administration.
"Sec. 412. Fund.";

(2) by striking out section 403 and inserting in lieu thereof the following:

"FUND

"SEC. 403. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitations as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $10,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested.";

(3) by striking out "$500,000" in section 411 and inserting in lieu thereof "$1,000,000"; and

(4) by adding after section 411 the following new section:

"FUND

"SEC. 412. There is hereby created within the Treasury a separate fund for guarantees which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this part. There are authorized to be appropriated to the fund from time to time such amounts not to exceed $35,000,000 to provide capital for the fund. All amounts received by the Administrator, including any moneys, property, or assets derived by him from his operations in connection with this part, shall be deposited in the fund. All expenses and payments pursuant to operations of the Administrator under this part shall be paid from the fund. From time to time, and at least at the close of each fiscal year, the Administrator shall pay from the fund into Treasury as miscellaneous receipts interest at a rate determined by the Secretary of the Treasury on the cumulative amount of appropriations available as capital to the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, and shall not be less than a rate determined by taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of guarantees from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this part may be invested in bonds or other obligations of, or bonds or other obligations

guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested."

(b) Unexpected balances of capital previously transferred to the fund pursuant to section 403 of the Small Business Investment Act of 1959 (15 U.S.C. 694), as in effect prior to the effective date of this Act, shall be allocated, together with related assets and liabilities, to the funds established by paragraphs (2) and (4) of subsection (a) of this section in such amounts as the Administrator shall determine. In addition, the Administrator is authorized to transfer to the fund established by paragraph (4) of subsection (a) of this section not to exceed $2,000,000 from the fund established under section 4(c)(1)(B) of the Small Business Act: *Provided,* That section 4(c)(6) and the last sentence of section 4(c)(5) shall not apply to any amounts so transferred.

SEC. 7. Section 4(b) of the Small Business Act is amended—

(1) by striking out "three" in the third sentence and inserting in lieu thereof "four"; and

(2) by inserting after the third sentence the following new sentence: "One of the Associate Administrators shall be designated at the time of his appointment as the Associate Administrator for Minority Small Business and shall be responsible to the Administrator for the formulation of policy relating to the Administration's programs which provide assistance to minority small business concerns and in the review of the Administration's execution of such programs in light of such policy."

SEC. 8. Sections 7(a)(4)(B) and 7(a)(5)(B) of the Small Business Act are each amended to read as follows: "the rate of interest for the Administration's share of any such loan shall be the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest one-eighth of 1 per centum plus one-quarter of 1 per centum per annum; and".

SEC. 9. (a) Section 7(b) of the Small Business Act is amended by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and" and by adding immediately after paragraph (7) the following new paragraph:

"(8) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist, or refinance the existing indebtedness of, any small business concern seriously and adversely affected by a shortage of fuel, electrical energy, or energy-producing resources, or by a shortage of raw or processed materials resulting from such shortages, if the Administration determines that such concern has suffered or is likely to suffer substantial economic injury without assistance under this paragraph."

(b) The first paragraph following the numbered paragraphs of section 7(b) of the Small Business Act is amended by striking out "or (7)," immediately following "(6)," and inserting in lieu thereof "(7), or (8).".

SEC. 1. Section 5 of the Small Business Act is amended by adding at the end thereof the following new subsection:

"(e) The Administrator shall designate an individual within the Administration to be known as the Chief Counsel for Advocacy and to perform the following duties:

"(1) serve as a focal point for the receipt of complaints, criticisms, and suggestions concerning the policies aid activities of the Administration and any other Federal agency which affects small businesses;

"(2) counsel small businesses on how to resolve questions and problems concerning the relationship of the small business to the Federal Government;

"(3) develop proposals for changes in the policies and activities of any agency of the Federal Government which will better fulfill the purposes of the Small Business Act and communicate such proposals to the appropriate Federal agencies;

"(4) represent the views and interests of small businesses before other Federal agencies whose policies and activities may affect small businesses; and

"(5) enlist the cooperation and assistance of public and private agencies, businesses, and other organizations in disseminating information about the programs and services provided by the Federal Government which are of benefit to small businesses, and information on how small businesses can participate in or make use of such programs and services.".

SEC. 11. (a) The first sentence of section 411(c) of the Small Business Investment Act of 1958 is amended by inserting "administer this program on a prudent and economically justifiable basis and shall" immediately after "shall".

(b) Section 411(c) of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following: "Within 30 days after the date of enactment of this sentence and at monthly intervals thereafter, the Administration shall publish the cost of the program to the Administration for the month immediately preceding the date of publication. The Administration shall conduct a study of the program in order to determine what must be done to make the program economically sound. Within one year after the date of enactment of this sentence, the Administration shall transmit a report to Congress containing a detailed statement of the findings and conclusions of the study, together with its recommendations for such legislative and administrative actions as it deems appropriate.".

SEC. 12. Section 7(a) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(8) During the fiscal year ending June 30, 1975, the Administrator shall make direct loans under this subsection in an aggregate amount of not less than $400,000,000.".

SEC. 13. The General Accounting Office is directed to conduct a full-scale audit of the Small Business Administration, including all field offices. This audit shall be submitted to the House and Senate not later than six months from the date of enactment of this Act.

The motion was agreed to.

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

A similar House bill (H.R. 15578) was laid on the table.

GENERAL LEAVE

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

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

There was no objection.

AMENDING AND EXTENDING THE DEFENSE PRODUCTION ACT OF 1950

Mr. REES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13044) to amend the Defense Production Act of 1950.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. REES).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13044, with Mr. DANIELSON in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from California (Mr. REES) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. REES).

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

Mr. Chairman, H.R. 13044, a bill to amend and extend the Defense Production Act of 1950, is designed to improve and continue programs which are needed to assure that our industrial capacity and resource inventory remain at levels necessary to adequately safeguard national security.

H.R. 13044 would extend the authority of the Defense Production Act another year, until June 30, 1975. In addition, the bill would amend the act to change the method by which Defense Production Act stockpile materials are purchased for use in order to guarantee uninterrupted defense production when necessary. It also calls for a 9-month administration study of the management of all our stockpiles in light of new worldwide economic developments.

Under the act as it is presently written, such stockpiles are maintained through the purchase of materials with loans from the Treasury. The cost of loan funds, especially in view of the soaring interest rates in today's economy, has constituted a serious financial drain on the stockpile program. H.R. 13044 would eliminate this problem by providing funds needed for stockpile purposes through congressional appropriations. In addition to improving the financial condition of the program, such a change would also improve congressional surveillance and control over stockpiling efforts.

The United States is greatly reliant on foreign sources for many of its vital resource needs. We face intensified competition among the countries of the world for those resources. Also, countries dominating resource markets have the potential to organize market control mechanisms and arbitrarily increase prices. The effect of those price increases on the

economy may be quite severe. Hence, the wisdom of the Nixon administration's plan to severely reduce the national stockpiles and inventories is particularly suspect. H.R. 13044, therefore, includes provisions calling for a study to reappraise the current plans for reduction of the stockpiles and inventories.

The stockpiles of materials appear to be inadequate. For example, the stockpile objective for aluminum according to the GSA stockpile report is zero. The stockpile objective for bauxite, metal grade, Jamaica is 4,638,000 long tons, and for bauxite, metal grade, Surinam is zero. According to the preprint from the 1972 Bureau of Mines mineral yearbook section on bauxite, the U.S. consumption of bauxite in 1972 was 15,400,000 long tons—90 percent of U.S. primary consumption of aluminum is supplied by foreign sources. The stockpile supply, then, is 30 percent of our annual consumption. Furthermore, the conversion process from bauxite into aluminum is a complicated and time-consuming process.

Similarly, in 1972 the U.S. imported 169,000 tons of nickel relying almost totally on foreign sources. The current stockpile objective for nickel is zero. Also, 676,891 tons of asbestos were imported in 1972, reflecting a 90-percent import dependency. The total stockpile objective for asbestos is 1,100 tons.

Given this reliance of the United States on foreign sources for many of its most vital resource needs, the intensified competition among the countries of the world for those resources, the potential of countries which dominate resource markets to organize market control mechanisms and arbitrarily increase prices, and the effect of those price increases on our economy, the Nixon administration's plan to severely reduce the national stockpiles and inventories is particularly suspect. Consequently, H.R. 13044 includes provisions calling for a study to reappraise those plans for reduction.

I urge passage of H.R. 13044 with the committee's amendments.

Mr. Chairman, I will have three amendments. They are minor amendments to the bill, and they will be introduced as soon as the 1 hour of debate is finished.

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

Mr. Chairman, last month the House passed a continuing resolution in support of the activities authorized under the Defense Production Act of 1950. It is now imperative that the House favorably pass a DPA Act to insure, for fiscal year 1975, the continued fulfillment of our defense production goals.

This bill would extend for 1 year the powers of the President to guarantee loans and maintain priorities for defense contracts, distribute and make purchases of materials for defense needs, employ advisors and consultants in furtherance of these goals, and establish a reserve of trained executives to meet the requirements of Government during periods of national emergency.

Two changes in the act are provided for in the bill now pending. First, the method by which DPA stockpiles are financed would be changed in order to guarantee the uninterrupted production of defense materials. Under present law, DPA stockpiles are maintained by loans from the Treasury Department. High interest rates have created a drain on DPA stockpiles, they have created a strain on the whole system.

Under our bill, stockpiles would in the future be maintained by regular congressional appropriations. This action would prevent the approaching depletion of the stockpile fund. It would also establish, on a sound basis, the financing of our national security needs with respect to this area of scarce raw materials. As a result of congressional involvement in the financing of the DPA, greater opportunities will be created and sustained for the purposes of legislative oversight.

For example, ever since the DPA was established at the time of the Korean war, the Government has had to finance many operations by business to get increased supplies of raw materials. As I said at the time of our hearings, "Business has made a very healthy profit out of it and Government has had a very losing investment on it." This is very difficult to explain to the people back home. It is the responsibility of the Congress to improve the balance between the needs of Government and the needs of business. Oversight would improve our input in this area.

Aside from the funding problem, some interest has been expressed concerning the lack of a coordinated Government policy toward the Government's use of essential natural resources. This bill would authorize the Director of the Office of Management and Budget, in consultation with several other Government departments, to study the availability of alternative ways to maximize the use of raw materials. This study would, according to the law, have to be completed by March 1975. It would contain both legislative and administrative recommendations of the Director, and include a summary of his conclusions and findings.

The need for this study is obvious, given our increased dependence on imported materials. The problem is that although our domestic production is equal to the needs of our defense, the needs of our economy in emergency situations might go begging.

The acquisition of scarce resources for the Government is the central concern of the Defense Production Act. Under our bill, the financing operations of the DPA would be streamlined, its efficiency and effectiveness improved. By support of this bill, we insure the continued success of the act, one of Congress' best legislative efforts.

Mr. REES. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, my purpose for requesting time on this bill is to discuss section 5, which is an amendment to the Defense Production Act of 1950, as amended.

I am wholeheartedly in favor of serious consideration being given to stockpiling for domestic purposes certain critical materials, and I have advised your committee, through Congressman REES, that I have no objection to a study being made in this field looking to the possibility of the creation of such a stockpile.

However, H.R. 13044, in its section 5 beginning at line 23, page 3, gives me concern as to whether the Banking and Currency Committee is seeking jurisdiction over the strategic and critical stockpile, which has been set up by statute for the protection of the national defense of our country.

I have two concerns about the language as it presently appears in the bill under section 5; one is that at line 10, page 4, and in other places in this section, the Director of the Office of Management and Budget is directed to play a vital part in the proposed study.

The experience of the Stockpile Subcommittee of the House Armed Services Committee has been that the Office of Management and Budget has been the chief administrative force seeking to draw down the stockpiles to dangerous levels, contrary to the advice of other agencies in the Government, and it would, therefore, be a grave mistake to place that responsibility in the Office of Management and Budget. Unless the committee seeks an amendment to strike the Director of the Office of Managment and Budget from the language and replace it with the Comptroller General, I would like to introduce an amendment to do that myself. However, it is my understanding the committee does plan to make this change. Therefore, my remarks at this point are primarily directed at another matter.

Specifically, the language as it now stands refers—lines 12 through 15 at page 5—to projected levels of military consumption and the quantities of materials necessary to satisfy requirements for a period of not less than 1 year.

The Office of Management and Budget has approved the criteria which establishes the stockpile objectives to satisfy requirements for a 1-year emergency. No other department of the Government has been willing to testify before the subcommittee favoring such a short period of time as a basis for military stockpiling. The Comptroller General has indicated that it would be imprudent to enter into a disposal program based on current assumptions until a reevaluation is made of our stockpile objectives.

Therefore, I would like to receive the assurance of the chairman of the Banking and Currency Committee that this legislation is not intended in any way to diminish the jurisdiction of the House Armed Services Committee in handling matters relative to the national defense stockpile requirements.

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

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

Mr. REES. Mr. Chairman, in answer to the gentleman's question, no, there is absolutely no intention on the part of this member or other members of the Committee on Banking and Currency to alter the current division of jurisdiction in any way. We recognize the excellent work done by the gentleman from Florida in his capacity as chairman of the subcommittee. All we seek is a study.

I might also say to the gentleman that I appreciate his assistance on this bill.

Mr. Chairman, I have an amendment which I offer to change the language of the bill so that the Comptroller General of the General Accounting Office will conduct the study, rather than the Director of the Office of Management and Budget.

Mr. BENNETT. Mr. Chairman, I appreciate very much the reassurance the gentleman has given me.

One of the great problems with the requirements of the military stockpile at the present time, other than the military, is the general economics of the country, and the Bureau of the Budget is another reason for concern. These are reasons which have nothing to do with national defense, and I feel, therefore, very much reassured that the gentleman is working on the idea of trying to protect the industry generally in this bill.

Mr. Chairman, I congratulate the gentleman for his efforts.

Mrs. MINK. Mr. Chairman, I wish to commend Chairman PATMAN and the Committee on Banking and Currency for recommending that the House act favorably on the bill which is before us today, H.R. 13044. In particular, I would like to emphasize that the addition of section 720 to the Defense Production Act of 1950 fills a gaping hole in American policy formation.

Since the publication of the President's Materials Policy Commission—Paley Commission—report in 1952, we have been aware of the growing problem of obtaining adequate mineral supplies for our growing domestic needs. More recently, we have been reminded of this concern by the issuance of the 1972 report of the National Materials Advisory Board, "Elements of National Materials Policy"; the report of the National Commission on Materials Policy, "Material Needs and the Environment Today and Tomorrow"; and the publication of the U.S. Geological Survey Professional Paper 820, "United States Mineral Resources."

Moreover, considerable interest in the issue of continuing adequate supplies of raw materials at acceptable price levels has been piqued by the success of the OPEC cartel and the incipient efforts of the International Bauxite Association.

While each of the studies mentioned have provided us with ample warning as to the nature of the problem, little has been done to actually evaluate the alternative policy solutions which are available. The study authorized in H.R. 13044 will finally supply some of the information needed before Congress and the country can take decisive action.

This spring, the Subcommittee on Mines and Mining of the Committee on Interior and Insular Affairs held a series of hearings on the question of mineral scarcity. We heard testimony from representatives of the Department of the Interior, as well as those industries which are involved in the extraction, beneficiation, and end use of hard rock minerals.

Among the potential solutions to a mineral scarcity problem which were discussed by the various witnesses were two which are now being recommended for study in H.R. 13044; namely, a comprehensive management program for the efficient marketing of U.S. inventories and stockpiles of essential natural resources and the development of substitutes.

Considerable attention has been directed toward the question as to whether the Federal Government should establish an economic stockpile of critical materials. At present, determination of stockpile levels is restricted to consideration of strategic criteria only. A study which evaluates the relative importance of all minerals as well as examines the question of a coordinated stockpile policy, based upon all considerations will certainly contribute to determination of the proper role of the stockpiles.

Substitutes for essential minerals can take many forms. It is possible, for example, to substitute one material for another in its end use application. Thus, glass, plastic, paper, and aluminum containers can be substituted for tin-plated steel cans.

A second possibility for substitution exists in the replacement of one mineral for another in the process of alloy formation. For example, studies have been done which suggest that aluminum can serve as a potential substitute for other minerals in the production of stainless steel. Research on substitution can also include exploration of the possibilities of increased reliance upon recycling, rather than continued emphasis upon virgin materials.

Finally, in some cases, where engineering research enables us to reduce the amount of a material used in the production of a given consumer item, nothing can be substituted for certain materials. A recent example of this is the reduction of the thickness of the tin layer applied to steel food cans. The function remains the same, but the mineral consumption is reduced.

Beyond consideration of these specific policy alternatives, the study authorized in this bill will also evaluate the question of mineral supplies in light of the current and projected market conditions and availability of foreign supplies. One very important aspect of the study will be to define just which natural resources are "essential." Once agreement on this issue is reached, we can direct our efforts toward assuring that these resources are always in adequate supply.

Other research which will be necessary before a complete evaluation of our mineral supply situation is fully appreciated includes research into the potential of deep seabed mining and the potential for development of low-grade, domestic deposits of certain minerals. The study recommended by the Committee on Banking and Currency is a step in the right direction. It is essential that policymakers begin to come to grips with the question of a national materials policy.

Mr. VANIK. Mr. Chairman, I would like to make some brief comments about the nature of the underlying legislation which we are today extending. As the committee report states—

> The bill would extend for one additional year, through June 30, 1975, the remaining powers of the President under the Defense Production Act of 1950.

Most Americans—and probably most Members of Congress—have no idea of the extent of the emergency and dictatorial powers provided by this act which we are so casually extending.

Last November, the Senate Special Committee on the Termination of the National Emergency published a 607-page report on "Emergency Powers Statutes: Provisions of Federal Law Now in Effect Delegating to the Executive Extraordinary Authority in Time of National Emergency." This report summarizes on page 485 the powers available to the President as a result of the Defense Production Act of 1950:

> The authority that remains in the Act includes the power to establish priorities for defense contracts; the power to allocate materials for defense purposes; the authority to guarantee loans made in connection with defense contracts; the authority to make loans and purchases to build up defense capacities, assure supplies of defense materials and to carry out existing contracts; the authority to enable businessmen to cooperate voluntarily in meeting defense needs, with exemptions from antitrust laws; the authority to employ and to prescribe conditions of employment including compensation; the provision for establishment of a reserve of trained executives to fill government positions in time of mobilization; and provision for the establishment of particular cost-accounting standards.

One should remember that this is not just a military defense bill. The President can declare, as Roosevelt did, an economic defense emergency. Thus, if the President were to declare an economic energy emergency this winter, the Defense Production Act might enable him to take the following types of action—all without consulting Congress:

First. Under 50 U.S.C. App. 2071, relating to priority in contracts and orders, it would seem that the President could attempt to ration fuel, order steel for oil drilling rigs and otherwise direct the economy—without specific congressional consent to any of his actions.

Second. Under 50 U.S.C. App. 2072, relating to the control of hoarding of scarce materials, it would seem that the President could attempt to take away steel tubing from those oil companies which are reportedly stockpiling it. While I might personally favor such an action—I do believe that such action

should not be taken by the stroke of a pen. Rather, it should be debated and legislated through our proper constitutional processes.

Third. Under 50 U.S.C. App. 2093, relating to the purchase of raw material and the installation of equipment, it would seem that the President could attempt to establish a Federal Oil Corporation. He could set up a whole Federal agency to drill for oil, develop oil shale lands, or install solar heat devices throughout the country. Again, Mr. Chairman, I might be in favor of some of these goals. But the means I have described are the ways of a dictatorship. We must not continue to condone in our society laws which would permit such emergency powers, such sweeping powers to a single individual.

Mr. Chairman, I am concerned that this excellent study on the emergency powers problem has received so little attention. I am disappointed that no action has been taken to review the need for all of these emergency powers. We are proceeding to impeach a President—yet we continue to provide the Executive with dictatorial powers. We in the Congress continually complain of the growth of the Executive and the loss of congressional power—yet we have no one to blame but ourselves. We have handed over on a silver platter dictatorial powers to the President.

I would like at this point to quote from portions of the opening pages of the emergency powers study:

A majority of the people of the United States have lived all of their lives under emergency rule. For 40 years, freedoms and governmental procedures guaranteed by the Constitution have, in varying degrees, been abridged by laws brought into force by states of national emergency.

Although Lincoln evoked enormous emergency powers, our present "special" laws stem largely from World War I:

Following the Allied victory, Wilson relinquished his wartime authority and asked Congress to repeal the emergency statutes, enacted to fight more effectively the war. Only a food-control measure and the 1917 Trading With the Enemy Act were retained. This procedure of terminating emergency powers when the particular emergency itself has, in fact, ended has not been consistently followed by his successors.

Franklin Roosevelt vastly expanded those powers to meet the problems of the depression:

The Trading With the Enemy Act had, however, been specifically designed by its originators to meet only *wartime* exigencies. By employing it to meet the demands of the depression, Roosevelt greatly extended the concept of "emergencies" to which expansion of executive powers might be applied. And in so doing, he established a pattern that was followed frequently: In time of crisis the President should utilize any statutory authority readily at hand, regardless of its original purposes, with the firm expectation of *ex post facto* congressional concurrence.

Truman further expanded the emergency powers and obtained the original passage of the bill we are debating today:

At the end of the Korean war, moreover, the official state of emergency was not terminated. It is not yet terminated. This may be primarily attributed to the continuance of the Cold War atmosphere which, until recent years, made the imminent threat of hostilities an accepted fact of everyday life, with "emergency" the normal state of affairs. In this, what is for all practical purposes, permanent state of emergency, Presidents have exercised numerous powers—most notably under the Trading With the Enemy Act—legitimated by that ongoing state of national emergency. Hundreds of others have lain fallow, there to be exercised at any time, requiring only an order from the President.

Mr. Chairman, the problem of emergency power legislation is an enormous one. I would hope that during this period of peace and détente, we could begin to eliminate some of these powers. I urge the committee to consider repeal of major portions of the Defense Production Act. Continued extension of this type of legislation could extend us out of a Republican and into a dictatorship. The following quotes from the emergency powers study summarize some of the problems facing our democracy:

The 2,000-year-old problem of how a legislative body in a democratic republic may extend extraordinary powers for use by the executive during times of great crisis and dire emergency—but do so in ways assuring both that such necessary powers will be terminated immediately when the emergency has ended and that normal processes will be resumed—has not yet been resolved in this country. Too few are aware of the existence of emergency powers and their extent, and the problem has never been squarely faced.

A review of the laws passed since the first state of national emergency was declared in 1933, reveals a consistent pattern of lawmaking. It is a pattern showing that the Congress, through its own actions, transferred awesome magnitudes of power to the executive ostensibly to meet the problems of governing effectively in times of great crisis. Since 1933, Congress has passed or recodified over 470 significant statutes delegating to the President powers that had been the prerogative and responsibility of the Congress since the beginning of the Republic. No charge can be sustained that the Executive branch has usurped powers belonging to the Legislative branch; on the contrary, the transfer of power has been in accord with due process of normal legislative procedures.

It is fortunate that at this time that, when the fears and tensions of the cold war are giving way to relative peace and détente is now national policy, Congress can assess the nature, quality, and effect of what has become known as emergency powers legislation. Emergency powers make up a relatively small but important body of statutes—some 470 significant provisions of law out of the total of tens of thousands that have been passed or recodified since 1933. But emergency powers laws are of such significance to civil liberties, to the operation of domestic and foreign commerce, and the general functioning of the U.S. Government, that, in microcosm, they reflect dominant trends in the political, economic, and judicial life in the United States.

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Amendments of 1973".

SEC. 2. (a) Subsection (b) of section 304 of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2094), is repealed.

(b) Such section 304 is amended by adding at the end thereof the following new subsections:

"(c) The Secretary of the Treasury is authorized and directed to cancel the outstanding balance of all unpaid notes issued to the Secretary of the Treasury pursuant to this section, together with interest accrued and unpaid on such notes.

"(d) Any cash balance remaining on June 30, 1974, in the borrowing authority previously authorized by this section, and any funds thereafter received on transactions heretofore or hereafter entered into pursuant to sections 302 and 303 shall be covered into the Treasury as miscellaneous receipts."

SEC. 3. Section 711 of the Defense Production Act of 1950 (50 U.S.C. App. 2161) is amended—

(1) by inserting "(a)" after "SEC. 711.";

(2) by inserting "(including sections 302 and 303 and for payment of interest under subsection (b) of this section)" after "Act" the first place the term appears; and

(3) by adding at the end thereof the following new subsection:

"(b) Interest shall accrue on (1) the cumulative amount of disbursements to carry out the purposes of sections 302 and 303 (except for storage, maintenance, and other operating and administrative expenses), plus any unpaid accrued interest, less the cumulative amount of any funds received on transactions entered into pursuant to sections 302 and 303 and any net losses incurred by an agency in carrying out its functions under sections 302 and 303 when the head of the agency determines that such net losses have occurred; and (2) the current market value of the inventory of materials procured under section 303 as of the first day of each fiscal year commencing with the fiscal year beginning July 1, 1975. At the close of each fiscal year there shall be deposited into the Treasury as miscellaneous receipts, from any amounts appropriated under this section, an amount which the Secretary of the Treasury determines necessary to provide for the payment of any interest accrued and unpaid under this subsection. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with one year remaining to maturity.".

SEC. 4. The first sentence of section 717 (a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1976."

Mr. REES (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

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

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first four committee amendments.

The Clerk read as follows:

Committee amendments: On the first page, line 4, strike out "1973" and insert in lieu thereof "1974".

On the first page, line 10, strike out "(c)" and insert in lieu thereof "(b)".

On page 2, line 3, strike out "(d)" and insert in lieu thereof "(c)".

On page 3, line 19, strike out "1976" and insert in lieu thereof "1975".

The committee amendments were agreed to.

The CHAIRMAN. The Clerk will report the last committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, immediately after line 19, insert the following new section:

SEC. 5. The Defense Production Act of 1950 is amended by adding at the end thereof the following new section:

SEC. 720. (a) In consideration of—

(1) increased dependence of the United States on the importation of certain natural resources vital to the national defense, the orderly operation of domestic and foreign economies, and the need for reasonable pricing of such resources; and

(2) the ability of other countries that export essential natural resources to, singly or in groups, arbitrarily raise the prices of these commodities to unreasonable levels;

the Congress authorizes and directs the Director of the Office of Management and Budget, in consultation with Council of Economic Advisers, the Council on International Economic Policy, the Secretary of the Treasury, the Secretary of Defense, the Secretary of Commerce, the Administrator of the General Services Administration, and any other appropriate agencies of the United States, to undertake a study.

(b) The purpose of the study is to recommend legislative and administrative actions to develop a comprehensive strategic stockpiling and inventories policy which (1) facilitates the availability of essential natural resources, (2) prevents disruptions in the domestic and foreign economies, and (3) prevents unreasonable increases and erratic fluctuations in the prices of imported essential natural resources.

(c) In carrying out the study the Director shall consider the following:

(1) The feasibility of purchase and sale of essential natural resources by the United States in order to achieve reasonable and orderly market prices of these resources.

(2) A method to determine what constitutes "essential natural resources".

(3) A proposal for a unified administrative structure to formulate and implement a continuing and comprehensive management program for the efficient marketing of United States inventories and stockpiles of essential natural resources.

(4) At current and projected levels of military and civilian materials consumption, the quantities of materials necessary to satisfy demand for a period of not less than one year.

(5) Any current or projected adjustment necessary to reflect dependency on imports.

(6) The current and potential ability of the United States to develop substitutes for imported essential natural resources.

(7) The feasibility of expanding acquisitions of essential natural resources through barter agreements.

(8) The impact of the pricing of essential natural resources on the international monetary system.

(d) The Director of the Office of Management and Budget shall transmit to each House of Congress the study not later than March 1, 1975. It shall contain a detailed statement of the findings and conclusions of the Director, together with his recommendations for legislative and administrative actions.

Mr. REES (during the reading). Mr. Chairman, I ask unanimous consent that the further reading of the last committee amendment be dispensed with, that it be considered as read, and printed in the RECORD.

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

There was no objection.

AMENDMENT OFFERED BY MR. REES TO THE COMMITTEE AMENDMENT

Mr. REES. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. REES to the committee amendment: Strike out "Director of the Office of Management and Budget" each time it appears therein and insert in lieu thereof "Comptroller General of the United States" and strike out "Director" each time it appears therein and insert in lieu thereof "Comptroller General".

Mr. REES. Mr. Chairman and Members of the Committee, this amendment, which I have discussed with the gentleman from Florida (Mr. BENNETT) calls for a study to be made by the Comptroller General of the United States, rather than the Director of the Office of Management and Budget. In this way we have a mixture of both executive and legislative branch participation.

Mr. Chairman, I know of no objection to the amendment.

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

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

Mr. MADIGAN. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from California. I would also like to say to the Members of the House that I think it is very important that the Congress have someone connected with the Congress on this commission.

There was a commission exactly the same as this established 2 years ago, which last year wrote a report exactly of the nature called for in this amendment, and I presume that that report has not been read by any Member.

Since we are now in the process of setting up another commission exactly the same as the one in 1972, I consequently think it would be a very fine thing to have someone appointed by the Congress who would serve on a commission like this in the hope that we might be able to pay attention to the recommendations made by that commission.

Mr. REES. Mr. Chairman, I appreciate the statement made by the gentleman from Illinois

I did read the report that was published; it is indeed unfortunate that many Members have not read it since the strategic position—both militarily and economically—of our Nation is of great importance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. REES) to the committee amendment.

The amendment to the committee amendment was agreed to.

AMENDMENT OFFERED BY MR. REES TO THE COMMITTEE AMENDMENT

Mr. REES. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. REES to the committee amendment: Page 4, line 14, after "The Secretary of Commerce": Insert "the Secretary of the Interior, the Secretary of Agriculture,"

Mr. REES. Mr. Chairman, after these original amendments were printed, both the Secretary of the Interior and the Secretary of Agriculture requested that they be allowed to participate in the study. This is the sole intent of the amendment. It merely adds the Secretary of the Interior and the Secretary of Agriculture.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. REES) to the committee amendment.

The amendment to the committee amendment was agreed to.

AMENDMENT OFFERED BY MR. REES TO THE COMMITTEE AMENDMENT

Mr. REES. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. REES to the committee amendment: Page 4, line 19, insert "and economic" immediately after "strategic".

Strike out "essential natural resources" each time it appears therein and insert in lieu thereof "essential resources".

SEC. 720(b), insert between (1) and (2): "identifies the existence of any long- or short-term shortages or market adversities affecting the supply of any resource or commodity."

SEC. 720(c), insert (9): "Any existing government policies and practices which may tend to adversely affect the supply of any resources or commodity."

Page 4, line 23, strike out "imported".

Mr. REES. Mr. Chairman, these amendments merely broaden the scope of the study. They are taken from legislation previously passed by the Senate. The study will now seek to ascertain the nature and possibility of a long- or short-term shortage which would affect the availability of an essential commodity. In addition, the study will analyze the effect of current Government policies on our supplies of essential commodities. I know of no opposition to the amendment.

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

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

Mr. GROSS. I thank the gentleman for yielding.

In connection with the previous amendment, do I understand that there was a study made only 2 years ago? If there was made 2 years ago a study, by whom was it made? Was a report made?

Mr. REES. I am not posiitve as to the source of the study because it did not go through our committee. I read the study. The report, I think, pointed out that we

would have some short- and long-term supply problems with imported materials, but, unfortunately, no one in the Administration seemed to read the report. They have continued the policy of selling off the stockpiles. Therefore, I thought it was necessary to get a short-term, up-to-date, report by the GAO in conjunction with the Administration. I think a new report is absolutely necessary because the previous report was developed prior to the 450-percent increase in the price of imported oil in the Arab boycott.

Mr. GROSS. What is the history preceding that—making these studies every 2 years? Or what is it?

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

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

Mr. MADIGAN. I thank the gentleman for yielding.

The report that I read was prepared by the Director of the Office of Management and Budget, the Secretary of Commerce, the Secretary of the Treasury, and the Secretaries of other departments who studied the problems of raw material shortage and made recommendations in this report. I had some difficulty obtaining the report but did read it and did find in that report several recommendations made to the Congress, none of which apparently have ever been acted upon. They dealt with the recycling of material, the changing of tax structures for recyclers, the possibility of changing of trade situation relationships with foreign countries. All of those things I presume will be studied. It forecast the economic hardships that could come about as a result of the Arab oil embargo or an action of that kind.

It also went into the kind of economic hardships that could occur as a result of other nations engaging in the types of activities that they are now engaging in.

Now I understand there is another leadership bill in that has passed the Senate and is pending in the House that would do exactly the same thing that this bill would do, only I believe it will allow for different membership. It would be my hope, as I expressed earlier, that if we are going to do this kind of thing that it be done by the Congress rather than having the Congress always asking the administration to do it and then ignoring the recommendations forthcoming from the administration.

I can see no reason, if we are going to have a study commission, why it would not be made up of Members of the House and Senate, or at least people designated by them who would put some input into the legislative process.

Mr. REES. Mr. Chairman, I agree with the gentleman. For many years the only report on this subject, and I am talking about an independent report and not an in-house report, was the Paley Commission report completed in 1952. I do think it is absolutely necessary that we have an independent report and not one run by the Office of Management and Budget. An OMB study would discuss the cash flow from stockpile sales rather than examining the problem we have with dependence on imported essential resources.

This bill was amended before the Senate came up with their bill. I was afraid that, because of the logjam of legislation, there would not be enough time here in the House to get the Senate bill out and on the floor for debate. It might be delayed for another 4 or 5 months. Consequently, I would prefer to have the General Accounting Office begin working with the various agencies so that, even if we have a subsequent Senate bill, a basic study would already have been prepared. We must begin the study immediately because we are now in a very serious situation with regard to our natural resource position.

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

(On request of Mr. GROSS, and by unanimous consent, Mr. REES was allowed to continue for 1 additional minute.)

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

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

Mr. GROSS. Mr. Chairman, I do not quarrel particularly with the necessity for a study and a report. It is this piling of one report on top of another and one body of Congress going in one direction and one in another. If that is what is happening, it ought to be stopped. There is no necessity for this kind of duplication if that is what is taking place.

I thank the gentleman for yielding.

Mr. REES. I hope that this study will not be a duplication because I think we must have immediate action on this problem; and if we have duplication no such immediate action will occur.

Mr. GROSS. These studies and reports do cost money, no matter where they originate or who carries them out. Is that not true?

Mr. REES. They all cost money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. REES) to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. DANIELSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 13044) to amend the Defense Production Act of 1950, pursuant to House Resolution 1233, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1233, the Committee on Banking and Currency is discharged from further consideration of the Senate bill (S. 3270) to amend the Defense Production Act of 1950, as amended.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. REES

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

The Clerk read as follows:

Mr. REES moves to strike out all after the enacting clause of the bill S. 3270 and to insert in lieu thereof the provisions of H.R. 13044, as passed, as follows:

That this Act may be cited as the "Defense Production Act Amendments of 1974".

SEC. 2. (a) Subsection (b) of section 304 of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2094), is repealed.

(b) Such section 304 is amended by adding at the end thereof the following new subsections:

"(b) The Secretary of the Treasury is authorized and directed to cancel the outstanding balance of all unpaid notes issued to the Secretary of the Treasury pursuant to this section, together with interest accrued and unpaid on such notes.

"(c) Any cash balance remaining on June 30, 1974, in the borrowing authority previously authorized by this section, and any funds thereafter received on transactions heretofore or hereafter entered into pursuant to sections 302 and 303 shall be covered into the Treasury as miscellaneous receipts."

SEC. 3. Section 711 of the Defense Production Act of 1950 (50 U.S.C. App. 2161) is amended—

(1) by inserting "(a)" after "SEC. 711.";

(2) by inserting "(including sections 302 and 303 and for payment of interest under subsection (b) of this section)" after "Act" the first place the term appears; and

(3) by adding at the end thereof the following new subsection:

"(b) Interest shall accrue on (1) the cumulative amount of disbursements to carry out the purposes of sections 302 and 303 (except for storage, maintenance, and other operating and administrative expenses), plus any unpaid accrued interest, less the cumulative amount of any funds received on transactions entered into pursuant to sections 302 and 303 and any net losses incurred by an agency in carrying out its functions under sections 302 and 303 when the head of the agency determines that such net losses have occurred; and (2) the current market value of the inventory of materials procured under section 303 as of the first day of each fiscal year commencing with the fiscal year beginning July 1, 1975. At the close of each fiscal year there shall be deposited into the Treasury as miscellaneous receipts, from any amounts appropriated under this section, an amount which the Secretary of the Treasury determines necessary to provide for the payment of any interest accrued and unpaid

under this subsection. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding marketable obligations of the United States with one year remaining to maturity.".

SEC. 4. The first sentence of section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out "June 30, 1974" and inserting in lieu thereof "June 30, 1975".

SEC. 5. The Defense Production Act of 1950 is amended by adding at the end thereof the following new section:

"SEC. 720. (a) In consideration of—

"(1) increased dependence of the United States on the importation of certain natural resources vital to the national defense, the orderly operation of domestic and foreign economies, and the need for reasonable pricing of such resources; and

"(2) the ability of other countries that export essential resources to, singly or in groups, arbitrarily raise the prices of these commodities to unreasonable levels;

the Congress authorizes and directs the Comptroller General of the United States, in consultation with Council of Economic Advisers, the Council on International Economic Policy, the Secretary of the Treasury, the Secretary of Defense, the Secretary of Commerce, the Secretary of the Interior, the Secretary of Agriculture, the Administrator of the General Services Administration, and any other appropriate agencies of the United States, to undertake a study.

"(b) The purpose of the study is to recommend legislative and administrative actions to develop a comprehensive strategic and economic stockpiling and inventories policy which (1) identifies the existence or possibility of any long- or short-term shortages or market adversities affecting the supply of any resource or commodity, facilitates the availability of essential resources, (2) prevents disruptions in the domestic and foreign economies, and (3) prevents unreasonable increases and erratic fluctuations in the prices of essential resources.

"(c) In carrying out the study the Comptroller General shall consider the following:

"(1) The feasibility of purchase and sale of essential resources by the United States in order to achieve reasonable and orderly market prices of these resources.

"(2) A method to determine what constitutes 'essential resources'.

"(3) A proposal for a unified administrative structure to formulate and implement a continuing and comprehensive management program for the efficient marketing of United States inventories and stockpiles of essential resources.

"(4) At current and projected levels of military and civilian materials consumption, the quantities of materials necessary to satisfy demand for a period of not less than one year.

"(5) Any current or projected adjustment necessary to reflect dependency on imports.

"(6) The current and potential ability of the United States to develop substitutes for imported essential resources.

"(7) The feasibility of expanding acquisitions of essential resources through barter agreements.

"(8) The impact of the pricing of essential resources on the international monetary system.

"(9) Any existing government policies and practices which may tend to adversely affect the supply of any resource or commodity.

"(d) The Comptroller General of the United States shall transmit to each House of Congress the study not later than March 1, 1975. It shall contain a detailed statement of the findings and conclusions of the Comptroller General, together with his recommendations for legislative and administrative actions.".

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To amend the Defense Production Act of 1950."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 13044) was laid on the table.

GENERAL LEAVE

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

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

There was no objection.

ADJOURNMENT TO 11 A.M. FRIDAY, AUGUST 2, 1974

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a.m., on tomorrow.

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

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, and I will not object, can we be assured that we will not have any other legislation other than what has been proposed and that there will be no attempt to run in other legislation if we come in that early?

Mr. McFALL. If the gentleman will yield, I can give him that assurance. I asked the Speaker just now if there were any conference reports. There are no conference reports.

The two bills we would take up would begin with the Federal reclamation projects and programs bill and the second bill would be the International Broadcasting Board amendment. Those are the only two bills we would consider. When we finish those, we will be through.

Mr. ROUSSELOT. So the majority whip can assure us there will be only two bills tomorrow?

Mr. McFALL. That is right.

Mr. ROUSSELOT. Mr. Speaker, I appreciate that and with that assurance we are prepared to tell our colleagues they will be able to leave at a decent hour tomorrow.

Mr. McFALL. Mr. Speaker, the reason for asking unanimous consent is for that purpose. I had been telling the Members that they could look forward to finishing about 4 o'clock. I would think this would assure it; coming in at 11 o'clock would give them 5 hours to work. One of these bills has 2 hours of general debate and the other has 1 hour of general debate. I would think we could finish them both by 4 o'clock .

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to my colleague, the gentleman from Iowa (Mr. GROSS) who always has something to say.

Mr. GROSS. Must we take 5 hours just because we have 5 hours?

Mr. McFALL. No, sir; but if we were to start at 12 o'clock, it would be 12:30 before we get to the bills. I thought that would be cutting it a little close if we wanted to make it by 4 o'clock. Maybe we can break the record and get out by 3 o'clock.

Mr. ROUSSELOT. I withdraw my reservation of objection.

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

There was no objection.

PROPOSED CHANGES TO THE COASTAL ZONE MANAGEMENT ACT OF 1972

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

Mr. DOWNING. Mr. Speaker, I am introducing today a bill to make certain needed changes in the Coastal Zone Management Act of 1972.

The purpose of the Coastal Zone Management Act is to provide assistance, both financial and technical, to State and local governments in their efforts to protect and use more wisely the Nation's coastal areas. In addition to the financial incentives provided in the act, the legislation also calls on the Federal Government to aline Federal activities that affect State coastal zones with State coastal zone management programs. The third important provision of the legislation authorizes grants to States for the purposes of acquiring and maintaining estuarine sanctuaries to serve as natural field laboratories to assist in the development of coastal zone management programs.

Although the act was passed almost 2 years ago, it was not until 6 months ago that the administration allowed the program to be funded. And this minimum funding only came about as a result of pressure from the Congress. In any event, funding was made available in December 1973, and I am pleased to note the enthusiastic acceptance of the program by the States and the rapid progress which has been made.

During fiscal year 1974, in only 6 months, grants for developing coastal zone management programs consistent with the legislation were made to 28 States. These are the States of Alabama, Alaska, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, North Carolina, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina,

Texas, Washington, and Wisconsin. All together, $7.2 million of Federal grants have been made available to the States for the purpose of assisting them and their subdivisions in developing programs for the management of their valuable coastal areas.

The National Oceanic and Atmospheric Administration, administering the program, indicates that an additional three States will receive grants during early fiscal 1975. Thirty-one of the 34 eligible States and territories of our Nation are now actively involved in the coastal zone management program, and two of the remaining three have filed letters of intent to submit grant requests shortly.

Mr. Speaker, as I mentioned earlier, another important provision in the Coastal Zone Management Act authorizes the Federal Government to give grants to States to assist them in acquiring and operating estuarine sanctuaries for research purposes. This provision was viewed as an important adjunct to States' ability to develop a meaningful and scientifically sound coastal zone management program. The first such grant was awarded to the State of Oregon during the month of June and at least six more States are expected to submit grant applications within the next 12 months.

Those of us who were involved in sponsoring the original legislation anticipated the growing importance of our coastal zones and the need to move promptly to provide a mechanism to assist in resolving coastal zone problems. The emergence of the energy crisis is only the latest manifestation of the pressing need for rational coastal zone management in both the State and national interest.

At the present time, the Coastal Zone Management Act is the primary mechanism available for bringing about the necessary State and Federal coordination regarding location and operation of energy related facilities in the coastal zone. However, the funding levels authorized in the legislation are extremely low, considering the magnitude of the problems that States have to confront, and we want shortly to consider whether to provide additional funding authorization to meet coastal zone needs.

However, the bill I am introducing today addresses itself to only three areas in making the act more flexible and more responsive to program needs. The first involves the need to extend the authorization for the estuarine sanctuaries portion of the program beyond the initial 1 year currently provided for in the basic act. The second involves a technical change which would replace the percentage limitation on grant size with a figure limitation. This will accomplish the original purpose but in a more flexible manner. And the third requests an increase in the authorization amount for section 305, the program development provision, to aline it more closely with the needs of the States.

Concerning the first change, Mr. Speaker, it is clear that our estuaries are among the most valued parts of our Nation's resources. They are the fertile nursery grounds for our rich and varied coastal fisheries; they are the habitat and nesting areas for water fowl and migratory birds; they offer bountiful opportunity for recreation and leisure time pursuits of many kinds; and under certain conditions, with proper environmental safeguards, they can support important economic and commercial activities.

The legislative history of the estuarine sanctuaries provision of the Coastal Zone Management Act makes it clear that this element of the program was intended to serve as an integral part of the overall coastal zone management programs of our coastal States. The sanctuaries program was designed to provide States with assistance in acquiring and operating natural field laboratories in which techniques and approaches proposed to be incorporated within their coastal management programs could be tested and perfected. The framers of the legislation also felt it important that the system of estuarine sanctuaries established through the assistance of the program be representative of the important types of estuarine systems found along our Nation's coasts.

Studies have indicated that at least 15 sanctuaries will be needed to include the major types of ecosystems found in the estuaries of the United States. Discussions between the representatives of NOAA and those of the coastal States have shown that at least 20 States have a positive interest in participating in the estuarine sanctuaries program. This would suggest that at least 20 sanctuaries are going to be required to meet essential coastal State requirements and, at the same time, provide for the necessary regional and natural differentiation.

Clearly, therefore, the sanctuaries program will need authorization for a period longer than the present 1 year in order to meet requirements. An extension of the authorization for this phase of the program for 3 additional years, that is, through fiscal year 1977, would be adequate to meet the needs presently anticipated.

The amendatory language which I am introducing today extends this phase of the coastal zone management program through fiscal year 1977 to accomplish this purpose. This action will aline the authorization period of this phase of the coastal zone management program with the other major portions of the act. It holds the authorization level for each of the next 3 years at the $6 million amount currently contained in the act.

Mr. Speaker, the second change I am proposing is a technical one. It pertains to language in the act which limits the size of grants to individual States to 10 percent of the amount of money available in a given year. In a normal year, with most coastal States participating, this provision would cause no problem and would serve its intended purpose as a desirable safeguard. However, during the initial year of a grant program, when only a few States are expected to participate, a problem will arise with the 10-percent limitation. For example, in the worst case, with only one State participating, that State could only receive one-tenth of the amount of money available that year for that type of grant. This means that 10 times as much money would have to be requested and appropriated for this purpose as was actually going to be given to the State requesting the grant.

This matter should be dealt with now because it will arise during the present fiscal year in connection with administrative grants to be made under section 306 of the act. It is expected that not more than two or three States will be in a position to qualify for these grants this year. If that is so, the 10-percent limitation will create a major difficulty, without any attendant benefits.

The amendment I introduce today simply substitutes a maximum dollar figure for the 10-percent limitation on maximum grant size for section 306 grants. This proposed change represents a more flexible means of accomplishing the same purpose. I do not foresee that this change will erode in any way the 10-percent safeguard that has been placed on the administration in this program. The limitation will simply be expressed in more effective terms.

Mr. Speaker, the last change which the bill proposes raises the authorization level for management program development grants given under the Coastal Zone Management Act from $9 million to $12 million. Experience gained during the present fiscal year indicates quite clearly that the current maximum authorization of $9 million for program development grants will be inadequate during fiscal year 1975. In fact, Mr. Speaker, in fiscal year 1974, States applying to NOAA for management program development grants received, on the average, approximately 30 percent less than the amount requested. Furthermore, information provided by the States with regard to their anticipated second year requirements—fiscal year 1975—indicate that most States will be needing approximately 30 percent more money in their second year compared to their first year as they move to complete management programs consistent with the guidelines set out in the act. The magnitude of State needs both in fiscal year 1974 and in fiscal year 1975 partly reflect the fact that NOAA is encouraging States to attempt to complete federally approvable management programs in a shorter time than the 3 years allowed for in the act. I heartily support this acceleration of effort and strongly urge action on the bill in the present Congress in order that the necessary Federal resources can be made available. It is anticipated that the full $12 million may be critical only in fiscal year 1975 since, beginning in fiscal year 1976, States will be applying for and receiving administrative grants under section 306 of the act to operate approved management programs. However, the ad-

ditional authorization should continue through 1977, should future developments require it. Actual appropriations sought should obviously be less, depending on the speed with which the States complete the development phase and move to administrative grants under section 306.

Mr. Speaker, in conclusion, given the importance of the coastal zone management program and the need for its continued vigorous implementation, I solicit the support of other Members in the prompt enactment of these amendments into law.

Thank you.

DEFENSE APPROPRIATIONS BILL

(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, on yesterday I announced my intention to offer an amendment to the Department of Defense appropriation bill for fiscal year 1975 to reduce the military assistance service funded—MASF—program from $1 billion to $700 million. Today I shall discuss two of the fundamental considerations which lead me to support the $700 million figure.

The language of the amendment will be to delete the figure $922,622,000 and insert in lieu thereof $622,600,000. The reason for this numerical difference is because in the same paragraph there is provided $77,400,000 which shall be derived by transfer from aircraft procurement Air Force and is not affected by the terms of this amendment.

Let me now address the fundamental issue before the House. The administration would have us believe that American "generosity" will produce peace. I postulate the opposite.

On December 28, 1973, President Thieu announced that Saigon would not hold elections despite article 9(b) of the Paris agreement. In this context, being excluded from the political process, the other side has no incentive for peace. Our valuable military goods and services have enabled Thieu to resist a political settlement. The only way to further a political settlement is to make clear our intention to wind down funding of the war.

We must communicate to General Thieu that the American people are not going to pay $2 billion a year to enable him to avoid the political realities of his own country.

Another reason why the figure contained in the bill should be reduced by my amendment is because the committee bill provides an increase of more than $250 million over the amount expended in fiscal year 1974.

Let me say to those who speak of a moral commitment on the part of the United States. The only moral commitment of our country is to the furtherance of peace. Seven hundred million dollars is totally consistent with that principle; additional funds blatantly contradict that principle and will perpetuate the stalemate of political negotiations.

In short, an appropriation above $700 million will further endanger the American economy and encourage continued waste and warfare in Indochina. A vote for $700 million would on the contrary be both fiscally and politically sound, I hope my amendment will be adopted.

VIETNAM—THE SECRET RECORD

The SPEAKER pro tempore (Mr. MCFALL). Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 5 minutes.

Mr. CRANE. Mr. Speaker, the second extract which I have chosen to insert from Tad Szulc's article in Foreign Policy and the Washington Post further reinforces the alarm which must be generated by the differences between our public and our private negotiating stances.

Supporters of both Israel and Vietnam cannot but feel uneasy at this exposure of our negotiating methods. As a result, to a large extent, of our initiatives, both of these countries find their future survival dependent upon our honoring the pledges of continued support which we made. Supporters of Israel cannot have failed to notice the continuing attempts which are made to undermine our pledges to Vietnam.

We made promises to the government and people of Vietnam to induce them to accept a cease-fire which we thought advantageous to ourselves and to the wider course of world peace. We did the same in Israel. Despite this, however, a campaign has been launched in this country aimed at persuading us to break those agreements and to forfeit our honor.

If we can desert one friend and ally which depends upon us, then we can desert another: if Vietnam today, then Israel tomorrow. As a proud supporter of the rights of both nations to continued existence, and of the rights of both peoples to continued liberty, I insert the second extract from Tad Szulc's article from the Washington Post of July 2, 1974. I hope it will alert supporters of the Israeli and Vietnamese peoples to their common interest, and to their common danger.

FROM VIETNAM—THE SECRET RECORD

(By Tad Szulc)

THIEU BALKS AGAIN

Kissinger was now bubbling with optimism. He planned to return to Paris on Oct. 17 for a final meeting with Thuy (Tho had flown back home for last-minute consultations), and then go on to Saigon for wrap-up conferences with Thieu, between Oct. 19 and 23. Then he would fly secretly to Hanoi to initial the agreement on Oct. 24—his presence in the North Vietnamese capital would be revealed publicly only after the initialing ceremony—and the peace accord would be signed by the four foreign ministers in Paris on Oct. 31. The Hanoi trip would be Kissinger's greatest coup, and he was visibly excited about it. It was a beautiful scenario—except that Kissinger (despite warnings from the CIA's George Carver) had grossly overestimated his ability to bring Thieu around. This error was to plague him for months.

Kissinger arrived in Paris on the morning of Oct. 17 with Sullivan and Aldrich. They went immediately into session with Thuy, but it quickly developed that important textural differences remained between the two sides. The afternoon turned into evening. Kissinger, growing increasingly nervous and impatient, announced that he simply had to leave for Saigon that same evening before Orly Airport closed at 11 p.m. He was anxious to stay on schedule. They told him that the final details presumably could be worked out in Hanoi after Kissinger arrived there from Saigon on Oct. 24. The North Vietnamese liked the idea of having Kissinger in Hanoi to wind up the talks and initial the accord in their capital.

Kissinger and Sullivan arrived in Saigon on the morning of Oct. 19. Nobody there had a clear idea of what was happening; Kissinger had made a point of keeping everyone in the dark. Bunker had not seen the text of the agreement, and was only vaguely aware of some of its provisions. Thieu knew next to nothing. But Kissinger was confident he could get his agreement in three days of talks and then go on to Hanoi.

On Oct. 19, Kissinger and Bunker met for three and a half hours with Thieu at the presidential palace. For the first time, Thieu saw the draft peace agreement—and only in English version, which was all Kissinger had with him. He reacted with undisguised fury. His first objection was that he had not been consulted about the document that Kissinger proposed to initial in Hanoi three days hence.

The text he was shown was still incomplete—the provisions for the release of civilian prisoners in the South and the question of military equipment replacements remained subject to further negotiations—but Thieu opposed most of the clauses that were written into it. His attitude was later described by a participant in the meeting as that of a "trapped tiger. He said he was not ready for a cease-fire and that he could not understand why the Americans had given up their demands for an Indochina-wide cease-fire in favor of a truce confined to Vietnam alone. At the Oct. 19 meeting with Kissinger, and during sessions in the three ensuing days, Thieu claimed that the most important flaw in the proposed agreement was that the North Vietnamese were not required to leave the South. He protested that the document recognized post-truce areas of control in the South for both his forces and the Communists. This, he said bitterly, had the effect of granting the Communists sovereignty over some areas.

As the sessions at the palace grew increasingly tense—a participant said Thieu was acting almost paranoid—the Saigon leader accused Kissinger of negotiating an agreement behind his back and then demanding his endorsement of it in three days. He took exception to the concept of the tripartite commission and to the expression "administrative structure" which was still in the text despite Kissinger's preference for the Reconciliation and Concord Council. Either way, he said, this presaged a coalition government. Thieu saw his survival as South Vietnam's leader gravely threatened by the agreement Kissinger was trying to ram down his throat.

Kissinger (who by now had developed a hatred for Thieu) argued that the proposed agreement, combined with American guarantees, gave the Thieu regime a "fighting chance" and a "decent interval" after the cease-fire and the now inevitable U.S. withdrawal. He told Thieu: "We were successful

in Peking, we were successful in Moscow, we were even successful in Paris. There is no reason why we cannot be successful here." Thieu's young foreign policy adviser, Hoang Duc Nha, replied: "So far history has shown that the United States has been successful in many fields. But history does not predict that in the future the United States will be successful here."

Still, Kissinger thought that Thieu would in the end be persuaded, and so advised Mr. Nixon from Saigon. Late on Oct. 21, Mr. Nixon, on Kissinger's recommendation, dispatched an extraordinary message to Hanoi, saying that despite a few remaining problems "the text of the agreement could be considered complete" and that peace could be signed on Oct. 31. The plan still was for Kissinger to go to Hanoi on Oct. 24.

While Kissinger kept negotiating with Thieu, he sent Sullivan to brief Laotian Premier Souvanna Phouma in Vietiane and the Thai leaders in Bangkok. Sullivan told the Thais that as part of the peace agreement the North Vietnamese would withdraw from Laos and Cambodia. If Hanoi violated this commitment, he said, the United States would "obliterate" North Vietnam. This, however, was not entirely accurate. The United States never had a firm commitment from Hanoi on quitting Cambodia, although it had secret assurances that a Laos truce could be arranged, as indeed it was, a month after the Vietnam accord. Kissinger made a quick trip to Phnom Penh to confer with President Lon Nol, but he did not show him the peace plan nor tell him Hanoi resisted a commitment on ending the Cambodian fighting. Instead, he pressed Lon Nol to seek a unilateral cease-fire. Lon Nol thanked him and asked when the North Vietnamese were leaving.

Kissinger and Bunker held their last meeting with Thieu on Oct. 23. Despite Kissinger's entreaties, Thieu remained totally opposed to the peace plan. Kissinger reported this to Mr. Nixon who, in turn, informed Hanoi that the Saigon talks had hit a snag and that, after all, the signing of the peace agreement could no longer be done on Oct. 31. Heavy-hearted, Kissinger, canceled his Hanoi trip and, dejected and exhausted, flew back to Washington.

"PEACE IS AT HAND"

Now a new crisis had developed. The North Vietnamese concluded that the Americans had used them for domestic political purposes and that they were reneging on the agreement reached in Paris earlier in the month. Their response was to "go public" with a broadcast on Oct. 25, disclosing the highlights of the agreement. The broadcast was monitored during the night by the Foreign Broadcast Information Service (a CIA operation) and Kissinger was awakened at 2 a.m. Oct. 26 to be told about it. He instantly telephoned the President at the White House. The two men met in the morning and a decision was made that Kissinger would hold a news conference at noon to explain the situation. Kissinger's overwhelming concern was that Hanoi not think that it was being deceived by the United States. With Mr. Nixon's specific approval, he thus used the now-famous expression that "peace is at hand" and that only a few more meetings with the North Vietnamese were required to iron out final details. The point was to reassure Hanoi, on one hand, and to warn Saigon, on the other, that the United States was determined to conclude a Vietnam peace agreement. Just as importantly, the statement served to undercut McGovern two weeks before the election.

Kissinger, in fact, was deeply concerned that his negotiations with the North Vietnamese would collapse because of Saigon's opposition. While still in Saigon, he had urged Mr. Nixon by cable on Oct. 23 to suspend American bombings north of the 20th parallel as a gesture of goodwill. He even suggested the end of U.S. tactical air support to the ARVN to show his annoyance with Thieu. Mr. Nixon agreed to halt the bombings in the North, but refused to cancel battlefield air support. The pressure on everyone involved was intense: before his return from Saigon to Washington Kissinger had a series of bitter cable exchanges with Haig, who thought that the American negotiating position was eroding.

At his televised performance in Washington on Oct. 26, Kissinger was, in effect, telling Hanoi to cool it, that the United States would deliver despite the unexpected delay. Some of Kissinger's colleagues say he did not believe at that point that peace was really "at hand," but that he was both anxious to commit Mr. Nixon to a quick peace and to keep McGovern on the defensive. He seemed worried that after the elections the President might reopen the whole diplomatic situation; he feared that given Mr. Nixon's natural inclinations, the President might revert to toughness after being reelected.

TRUTH IN FRANCHISING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. YOUNG) is recognized for 15 minutes.

Mr. YOUNG of Illinois. Mr. Speaker, I have introduced today a bill that I refer to as "Truth in Franchising." I think that it has wide application and is a constructive measure to provide guidelines for the responsible and penalties for the irresponsible in the field of franchises.

Franchising is a very popular method of doing business in the United States. It has been favored by the franchisor because it permits such person to develop a wider distribution system without having to make the investment otherwise required, and it gives the franchisor the benefits of the incentives that go with the franchisee running his own business.

This method of doing business has been popular with the franchisee because with a relatively limited amount of money, the franchisee can go into business for himself. The public benefits by a wider range of goods and services at lower prices.

The investment in a franchise business is very similar to the investment in a security. The franchisor should make a full disclosure of material information to the franchisee, who then should make his own decision on whether or not to purchase a franchise or enter into a franchise agreement.

This situation is very common to the sale of securities that are subject to the Securities Act of 1933 and requires what is generally called a full disclosure.

There have been many abuses in the sale of franchise agreements. Such abuses have been the subject of investigations, and many of these abuses have been widely publicized.

The Chicago Tribune has recently run a series of articles outlining the fraud perpetrated on many small investors who have purchased and entered into franchise agreements. A task force headed by Director Pamela Zekman and reporters William Gaines, Robert Unger, and William Crawford made a 2-month investigation that spanned 30 States and Canada, focusing on abuses of the franchise game.

I attach a copy of a Chicago Tribune editorial on this subject to my remarks on this bill.

I have today introduced a bill entitled "Franchising Act of 1974," which provides for the full disclosure of the nature of interests in business franchises in order to provide for increased protection in the sale of business franchises and to provide for fair disclosure in the negotiation of franchise agreements. This bill has bipartisan support, and cosponsors include: Mr. BROYHILL of North Carolina, Mr. MCCOLLISTER of Nebraska, and Messrs. HANRAHAN, DERWINSKI, ANNUNZIO and MURPHY of Illinois.

The proposed act prohibits the sale of franchises unless a disclosure statement with respect to such franchise is in effect, and it prohibits the sale of franchises through fraudulent devices and schemes. The law is generally patterned on the Federal Securities Act of 1933. The administration of this Disclosure Act is placed with the Securities Exchange Commission. This agency has over 40 years of experience in administering disclosure law.

Each franchisor must file a disclosure statement setting forth the material information about the franchise agreement and the background of the franchisor with a full disclosure of the nature and terms of the franchise agreement.

The proposed act creates civil liabilities for franchisors if they use false or misleading disclosure statements or sell in violation of the registration provisions of the act.

Nothing in the act denies the right of any State to adopt or enforce any law or regulation with respect to franchises. Jurisdiction of offenses is placed in the U.S. District Courts.

Penalties for willful violations of the act includes a fine of not more than $10,000 or imprisonment for not more than 5 years, or both.

Responsible franchisors already provide this type of information to franchisees, and the requirement that this information be furnished to a franchisee will go a long way to prevent the loss of money by investors in franchises in the future.

I am also having drafted a companion bill to provide the FTC with the power to specifically regulate unfair and deceptive trade practices in connection with the operation and termination of franchise agreements and franchisees.

RISKS IN THE FRANCHISE BUSINESS

The Tribune's recent series on the franchising business consisted largely of horrible examples of how investors had lost money to unscrupulous salesmen. People who would never fall for some of the classic confidence games all too often let their hopes carry them away when they think they hear a business opportunity knocking. The very success of sound, respectable franchisers—and there are many—creates a cover ex-

ploited by people who prey on hopes doomed before the victim writes his first check.

There are laws penalizing fraud—but sophisticated franchisers more interested in a quick killing than in a solid reputation have learned to skate between jurisdictions. This is possible in the absence of crisply detailed federal laws or regulations. It just is not safe to assume that society has protected little investors from predatory promoters.

What protection there is might well be improved—by the Federal Trade Commission's insisting on substantial disclosure statements from franchisers, requiring franchisers to let prospects know these statements exist and are public documents, and defining deceptive advertising more closely than in the past. Also, new legislation might introduce new criminal penalties for failure to file accurate disclosure statements and might provide new authority for damage suits. Existing laws can be more vigorously enforced than they have been. Secretary of State Michael Howlett has assigned investigators to inquire why scores of franchisers active in this state disregarded an Illinois statute requiring financial disclosure statements from them.

But even after enactment of such protections, "Let the buyer beware" will probably be even more applicable than "There ought to be a law." Information provided by series such as ours may serve many prospects as effectively as any new regulation or statute. Public disclosure in the press can be no less serviceable than disclosure statements filed in a government office.

The franchise business serves a very useful purpose. There is no better way for an enterprising individual with limited means to go into business with the advantage of a trade name which is known to the public, whether it's in hamburgers or hotels. Our series should not be misunderstood as a blast against franchising; it should help rather than hurt franchisers who do carry out their undertakings and who do help individuals establish their own businesses. The purpose of our series was rather to throw light into a dark corner of American business in the belief that lighting that corner will prevent some hapless citizens from being victimized.

A STATUTORY SHACKLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

Mr. McKINNEY. Mr. Speaker, since coming to Congress I probably have received more mail on the social security earnings limitation than almost any other aspect of our social security program. I introduced legislation in the 92d Congress to remove the earnings limitation and while progress has been made since that time—the ceiling has been lifted from $1,680 to $2,400—still, however, the figure remains at best, unrealistic.

Many of our elderly wish to remain useful and productive citizens. Others need to work if they are to live independently in these inflationary times. I can not find any rational explanation for our national policy which penalizes, discourages, and prevents those who need to work from actually working. It is cruel to ask our older citizens to live lives of dependence and poverty when they want and need the dignity and self-respect which comes from helping oneself.

How frustrating it must be to want to work and supplement a limited income only to be discouraged from doing so by loss of social security benefits. It has been said that social security was not intended to be and should not be a contract to quit work. With this in mind, I find it sadly ironic that those penalized by the earnings limitation often have the greatest need for more income than their social security benefits provide. No longer should a person who chooses to continue working be arbitrarily penalized for his initiative of efforts, both past and present, by not being able to collect that money which is rightfully his. Instead, we should honor our senior citizen work force removing the earnings limitation statutory shackle. And that is the intent of the legislation I am introducing today.

THE NEED TO EXTEND EXIMBANK AUTHORITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 30 minutes.

Mr. FRENZEL. Mr. Speaker, yesterday, the Banking and Currency Committee completed markup and reported out legislation extending the life of the Export-Import Bank. The operations of the Bank have been the subject of much criticism in recent months, and the drafting of this bill has been accompanied by some controversy.

I strongly support the extension of lending and guarantee authority for the Bank, and I want to invite the attention of the Members to some fundamental arguments in favor of extending Eximbank which I believe have been overlooked in recent discussions.

First, Eximbank is not an "expensive deal for the taxpayers." It is a self-sustaining, profitmaking organization. It does not ask Congress for any appropriated funds. Yet, in fiscal 1974, Eximbank supported nearly $13 billion of U.S. export sales which sustain nearly 800,000 full-time U.S. jobs and produce subcontractor and supplier orders in all parts of America. While making that contribution to the American economy, the Bank has collected enough interest and fees to pay the Treasury $906 million in dividends, build a reserve of $1.5 billion, pay for the money it borrows and carry an organization of 400 people to promote U.S. economic interests worldwide. That is one of the best deals the American taxpayer has ever had.

Second, it is a false assumption that "Eximbank can borrow short-term funds from the Treasury at less than the Treasury rate; in other words, at a concessional rate subsidized by the U.S. taxpayers." The fact is that the Bank pays exactly the rate paid by the Treasury in the public market for its 182-day bills. In addition to such short-term funds, the Bank funds its lending with repayments of principal and interest on outstanding loans, earnings from fees, proceeds of Eximbank debentures sold in the private market at prevailing interest rates, and from its capital and reserves.

Eximbank's overall cost of money exceeded 7 percent for the first time in May of this year. Responding to this increased cost, the Bank has been reducing the percentage of the export price which it finances, where appropriate, and over the last 6 months has increased its maximum interest rate from 6 to 8.5 percent. Exim's interest rate has been fully in line with the Nation's prime commercial rate as illustrated by the fact that since 1960 the Bank's rate has exactly equalled the median of commercial prime rates and exceeded the low end of commercial prime rates in 10 of those years, including as recently as 1971 and 1972. Finally, Eximbank restricts its loans to between 30 and 45 percent of the export price and charges interest rates ranging from 7 to 8.5 percent. Commercial banks do the balance of the financing at market rates. Thus, the rate to the foreign buyer in the transactions runs between 8.9 and 10.8 percent. Eximbank's counterparts in other countries charge interest rates as low as 5.5 percent and finance as much as 85 percent of the export price.

It is also not true that the Bank finances exports for which there is no foreign competition. It is especially not true of commercial jet aircraft. The Europeans now have the A 300B airbus which can compete with our transcontinental range jumbo jets. It can seat 281 passengers and services routes up to 2,200 miles. As such, it represents strong and immediate competition for U.S. aircraft including Boeing 727's and 737's, McDonnell Douglas DC–9's and transcontinental range DC–10's, and Lockheed L–1011's for use on short- and medium-range routes. Potentially, the A 300B can be adapted to compete directly with American made transports on transoceanic routes. In the commercial aircraft industry, a drying up of the domestic market has made sales projections and employment overwhelmingly dependent on foreign markets where Exim financing is necessary.

When U.S. airlines do acquire new aircraft, they do so on terms which represent less of a cash flow burden—a key factor to airline operations—than the terms available to foreign airlines where Exim supports the U.S. sale. Interest rates are generally comparable. While Exim will now finance at up to 8.5 percent, it will usually only cover 30 percent of the sales price with the balance represented by commercial sources at prevailing rates, yielding an overall interest package of almost 10 percent—the equivalent of what a U.S. airline would pay today.

Finally, Mr. Speaker, I am inserting some letters I have received recently from my home State of Minnesota which stress the need to extend the Eximbank's authority. I think they indicate the depth of concern over Eximbank's future. In addition, I am including a chart which indicates recent figures showing total Eximbank financing for on a State-by-State basis:

MINNESOTA DEPARTMENT OF ECONOMIC DEVELOPMENT,
St. Paul, Minn., May 9, 1974.

Hon. BILL FRENZEL,
Representative, Third District,
Washington, D.C.

DEAR CONGRESSMAN FRENZEL: Your Banking & Currency Committee will shortly be considering a charter renewal for the Eximbank and this letter is to bring to your attention the importance of Exim programs to Minnesota's exporters.

Eximbank has financed approximately $973.5 million of Minnesota exports during the last five years (Januay 1, 1969-December 31, 1973). Over 50 Minnesota companies have found Exim programs to provide a necessary support function for their international sales.

Eximbank programs have been a vital factor in the rapid development of Minnesota exports:

1969 exports—$767,800,000, 1973 exports—$1,500,000,000, 49% increase.

Exports are important to our economy. Approximately 97,826 Minnesotans are employed because of international sales.

We feel that any curtailment of Exim services will severely hurt the competitive position of Minnesota exporters and result in damage to our country's balance of trade and payments positions. We urge you to support a renewal and expansion of the Eximbank charter.

If there is any way we may assist you to further emphasize the need, and indeed extension, of the Eximbank charter and credit authority, please contact me directly.

Sincerely,

JAMES R. HELTZER,
Commissioner.

GREATER MINNEAPOLIS CHAMBER OF COMMERCE,
Minneapolis, Minn., July 22, 1974.

Hon. WILLIAM E. FRENZEL,
Longworth Office Building,
Washington, D.C.

DEAR MR. FRENZEL: On behalf of the Greater Minneapolis Chamber of Commerce, which reports approximately 3,000 dues paying member firms and individuals in Minnesota, we urge your support for the proposed Extension of the Eximbank Act, H.R. 13838. This Act renews the authority of the Eximbank to encourage the sale of U.S. products to all countries with which the U.S. has diplomatic or trade relationships. Eximbank's purpose is to insure that no sound U.S. export sale is lost by reason of inadequate or non-competitive financing.

The importance of Eximbank support is clear in Minnesota. In the last five years approximately $1 billion in Minnesota export sales have been made possible through Eximbank financing. Over fifty Minnesota companies, approximately one-half of them being located in Minneapolis, have consummated international sales by employing Eximbank financing.

A continuation and expansion of Eximbank financing programs are indispensable to the U.S. trade prospectus and the Minneapolis business economy. We urge your aggressive support of the renewal and expansion of the Eximbank Charter as per H.R. 13838. Eximbank's positive effect was felt not only on the U.S. trade balance but strongly in our overall economy.

Eximbank has Minneapolis' continued support. We ask your assistance in implementing our support for this measure.

JOSEPH A. GRIMES, Jr.,
Chairman, World Trade Task Force.

NORTHWESTERN NATIONAL BANK,
Minneapolis, Minn., May 1, 1974.

Hon. WILLIAM FRENZEL,
Congressman, Third District, Minnesota,
Washington, D.C.

DEAR BILL: I am informed that your subcommittee is conducting hearings on the Export-Import Bank Bill and Greg Peterson asked that we give you our thoughts on the bank's effectiveness to companies in our area.

In general, let me say that we wholly support the proposed expanded authorities for the Exim Bank both from a national and a regional interest point of view. It is apparent to us that the exporting activities of our bank's customers, both small and large, would be severely curtailed should these facilities not be available. I cannot estimate the impact on employment in this area, but I am confident it is substantial.

As an indication, if we consider this bank's employment of domestic funds for international financing (i.e. excluding activities of foreign branches) virtually all of our activities are in the export field in the service of our Minnesota customers. We have in excess of thirty-six million dollars employed in financing local exports in both the short and medium term (up about 100% in the past six (6) months). Of this total, over twelve million dollars are guaranteed by Ex-Im/FCIA and an equal amount is discounted with Ex-Im. The majority of this is done for about twenty-five (25) customers, however, we are experiencing rapid increases in activities with small and medium-sized customers.

I should state that our reliance on Ex-Im would be considerably larger if they were able to rediscount bills arising from grain exports in which we are particularly active, and, indeed, our ability to serve our customers is curtailed accordingly.

Additionally, we have in advanced negotiations an additional twenty-three million dollars in export financing for ten additional Minnesota firms which will depend on Ex-Im guarantee, discount on both. Obviously it is extremely important to us to have our Ex-Im discounts excluded from the bank borrowing limits.

I am unable to estimate the total utilization of Ex-Im facilities from this area, but I hope our own experience will be of some help.

If we can provide additional information please let me know.

Sincerely,

JIM.

SPERRY RAND CORP.,
St. Paul, Minn., July 31, 1974.

Representative BILL FRENZEL,
House of Representatives, Longworth House Office Building, Washington, D.C.:

We at Sperry Univac are deeply concerned with the restrictions written into pending Eximbank legislation in both the Senate and the House of Representatives. The provisions calling for congressional approval of all loans over $50 million are counter to the best interests of the United States and Sperry Rand Corporation. The present bill would severely injure American exporters by delaying the timely financing decision needed to secure export sales. It would also expose exporters to the risk of having proprietary information fall into the hands of foreign competitors through public debate in Congress.

A strong, flexible Export-Import Bank is critical to the success of U.S. exporting efforts. Criticism that the bank is used to substantially support trade with the Soviet Union has little merit since only two percent of Eximbank's resources are used there. Eximbank-financed exports directly support many domestic jobs in Sperry Rand Corporation as well as assist U.S. balance of payments. To cripple the bank's ability to support American exporters at a time when our foreign competitors are expanding their exporting activities with extensive government financing subsidies, would be to risk a severe curtailment in U.S. exports and the loss of the domestic jobs.

Please urge your fellow congressmen/senators:

1. Support the extension of the Eximbank's authority until 1978;
2. Support the increase in its lending authority from $20 to $30 billion;
3. Increase guarantees and insurance from $10 to $20 billion;
4. To reject congressional approval proposals and any other measure that would unduly restrict the Eximbank's freedom and flexibility which are essential if it is to provide competitive support to American exporters.

E. D. HAMS,
Vice President, General Manager.

EXIMBANK FINANCING ON STATE-BY-STATE BASIS AS OF APR. 30, 1974

State	Total number of transactions	Contract value	Exim authorization
Alabama	69	$29,605,972.31	$23,155,744.99
Arkansas	38	50,699,607.00	49,660,048.68
Arizona	48	9,573,744.44	8,830,639.55
California	1,640	6,272,679,628.53	3,512,455,347.80
Colorado	57	30,506,246.60	25,061,396.98
Connecticut	419	437,564,079.33	322,266,651.38
District of Columbia	42	59,143,653.79	38,205,060.00
Delaware	22	186,396,563.30	162,512,324.01
Florida	656	318,499,485.53	278,933,056.74
Georgia	262	296,084.031.61	258,141,322.69
Hawaii	6	3,460,419.28	3,048,129.48
Iowa	145	30,224,223.09	24,436,239.95
Idaho	10	306,220,000.00	171,770,000.00
Illinois	2,513	2,753,582,578.81	2,331,177,627.78
Indiana	203	189,427,460.22	156,586,826.17
Kansas	854	310,842,155.88	250,710,244.36
Kentucky	27	21,299,025.00	20,710,606.07
Louisiana	247	262,375,821.10	157,613,583.12
Massachusetts	661	354,778,717.71	292,898,861.05
Maryland	89	117,357,830.56	108,986,868.43
Maine	11	21,936,010.45	21,068,100.00
Michigan	779	1,473,757,723.31	1,192,283,209.47
Minnesota	394	1,133,708,469.01	1,027,069,354.26
Mississippi	25	33,835,143.22	27,701,031.24
Missouri	150	$157,987,658.06	$143,543,275.87
Montana	3	355,413.00	314,230.00
North Carolina	198	171,921,266.99	124,536,169.08
North Dakota	84	11,238,396.53	9,613,897.44
Nebraska	15	5,267,925.27	4,992,942.20
New Hampshire	58	20,380,354.97	15,157,853.68
New Jersey	686	607,255,010.16	498,206,046.50
New Mexico	3	10,638,156.00	10,459,500.00
New York	4,641	10,995,639,855.55	9,029,454,915.71
Ohio	1,054	1,052,811,839.52	865,522,808.54
Oklahoma	160	345,261,703.15	283,755,640.64
Oregon	107	84,669,520.49	82,670,668.39
Pennsylvania	1,264	1,903,686,561.09	1,507,221,789.24
Puerto Rico	75	44,062,113.31	40,085,844.95
Rhode Island	471	89,476,923.68	68,498,649.03
South Carolina	210	91,540,524.89	65,775,567.76
Tennessee	99	71,677,085.14	67,616,942.35
Texas	847	928,861,585.53	704,293,601.82
Utah	73	10,985,247.21	9,061,347.84
Virginia	79	124,750,887.50	107,540,606.89
Vermont	18	10,771,905.06	6,305,310.00
Washington	399	5,973,761,640.09	2,844,441,739.68
West Virginia	6	859,362.74	514,126.76
Wisconsin	1,391	1,166,544,081.29	999,441,403.60

OVERSIGHT OF POSTAL SERVICES TO THE COUNTRYSIDE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, the post office and postal services are as important to the small community today as the general store was to the Old West. Three years ago the familiar U.S. Department of the Post Office became the U.S. Postal Service.

The reform measure which brought this change about was intended by the Congress to be used by the quasi-independent entity to become a successful business-like organization. Among the prime attributes of the new agency were to be efficiency and service at a reasonable cost.

After observing the effects of the new USPS since its first days 3 years ago, members of the Subcommittee on Rural Development of the House Committee on Agriculture have developed a growing concern about the possibility that postal policies have a counterproductive effect on the countryside.

In view of the concern the subcommittee has scheduled 3 days of hearings here in Washington on postal policy as it relates to the countryside. These hearings will be held September 17, 18, 19. The subcommittee will work in conjunction with the Committee on Post Office and Civil Service. It is our hope that we will be prepared to make recommendations for improvements in the USPS law for consideration during the 94th Congress.

As a part of our research in preparation for the hearing my staff has been working with a number of knowledgeable authorities on postal matters. I, as chairman of the subcommittee, am particularly grateful for the excellent assistance which has been provided by staff of the Library of Congress.

One of the projects which they have assisted us in is the preparation of a detailed questionnaire on postal service which will be used to gather information for the study. Mr. Speaker, since I believe our colleagues may have a particular interest in this subject and acquiring information on it, I would like to make the questionnaire a part of the CONGRESSIONAL RECORD at this time:

A SURVEY OF POSTAL SERVICES IN THE COUNTRYSIDE

PART I. GENERAL INFORMATION

1. How long have you lived at the present address:
(a) Present to 3 years.
(b) Over 3 years.
2. Is your postal delivery designated:
(a) Rural route.
(b) City delivery.
(c) Cluster delivery.
(d) Star route.
(e) Post Office pickup.
3. Is your personal mailbox located:
(a) At the door.
(b) At the road.
(c) At the post office.
4. How far from your home is your designated post office:
(a) 0 to 1 mile.
(b) 1 to 5 miles.
(c) 5 to 10 miles.
(d) over 10 miles.

PART II. SPECIFIC MAIL SERVICES

A. Incoming mail

1. Is local mail in your area delivered:
(a) overnight.
(b) 2 to 3 days.
(c) over 3 days.
2. Is out of town mail in your area delivered:
(a) overnight.
(b) 2 to 3 days.
(c) over 3 days.
3. Are parcel post packages delivered:
(a) overnight.
(b) 2 to 3 days.
(c) 4 to 8 days.
(d) over 8 days.
4. In what condition are parcel post packages received:
(a) good.
(b) fair.
(c) poor.
5. Are newspapers, magazines, etc. received on time:
(a) yes.
(b) no.
6. Are they generally delivered in good condition:
(a) yes.
(b) no.

B. Outgoing mail

1. Where is your nearest pickup:
☐ (a) at the door or road.
☐ (b) neighborhood mail box.
☐ (c) at the post office.
2. How often is mail picked up:
☐ (a) more than once daily.
☐ (b) daily.
☐ (c) less than once daily.

PART III. OTHER INFORMATION

1. Do you believe present rate of mail pick up meets your needs?
☐ (a) yes.
☐ (b) no.
2. In order to meet your needs should mail pickup and delivery be more frequent?
☐ (a) yes.
☐ (b) no.
3. To your knowledge has your first class mail generally arrived:
☐ (a) on time.
☐ (b) late.
☐ (c) very late.
4. The Post Office has instituted or encouraged new services, some in cooperation with private enterprise (such as: mailgram, express mail, stamps by mail, self-service postal centers). Have you had an opportunity to use any of these services?
☐ (a) yes.
☐ (b) no.
5. A number of private corporations have instituted parcel delivery services such as United Parcel Services, American Airlines, and Greyhound. Has the failure of the Postal Service to provide adequate service forced you to use any of these private corporations?
☐ (a) yes.
☐ (b) no.
6. Would you prefer to use other services if available in your locality:
☐ (a) yes.
☐ (b) no.
7. Would you rate mail pickup services in your area to be
☐ good.
☐ adequate.
☐ poor.
8. Would you rate mail delivery services in your area to be:
☐ (a) good.
☐ (b) adequate.
☐ (c) poor.
9. In your experience in the past three years has mail service:
☐ (a) improved.
☐ (b) remained the same.
☐ (c) deteriorated.
10. How important do you consider the post office to the survival and development of your community?
☐ (a) very important.
☐ (b) important.
☐ (c) no effect.

SUPPLEMENTAL SECURITY INCOME: THE H.R. 8217 AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, yesterday Congress gave final approval to legislation which provides for an automatic cost-of-living increase in supplemental security income benefits. Enactment of this legislation means that Federal SSI benefits will increase next July, when social security benefits are scheduled to rise under the terms of the 1972 Social Security Act.

The SSI cost-of-living provision was originally included in a Senate amendment to H.R. 8217 drafted by my colleague from Minnesota, Senator WALTER MONDALE.

Unfortunately, the conferees for H.R. 8217, while accepting the cost-of-living concept rejected other provisions in the Mondale amendment aimed at guaranteeing that all recipients would, in fact, benefit from the Federal increase. Under the Mondale amendment, States would be required to make sure that recipients receiving both Federal and State SSI benefits would realize a net gain in income equal to the Federal cost-of-living raise.

This so-called mandatory "pass-through" would mean, in effect, that States could not cut back State payments to offset the higher Federal benefits. In most States, a mandatory pass-through would require neither increased Federal nor State expenditures. States would merely be prevented from reducing State outlays at the expense of recipients.

In eight States—California, Hawaii, Massachusetts, Nevada, New Jersey, New York, Rhode Island, and Wisconsin—additional expenditures would be required. The total cost of the pass-through for these eight States would be about $150 million in fiscal 1976, according to Senate Finance Committee estimates. Under the terms of the Mondale amendment, this cost would be split on a 50–50 basis between the Federal Government and the States.

The lack of a passthrough requirement means that the bill adopted yesterday could become primarily a fiscal relief measure for the States with no guarantee of higher benefits for many elderly, blind and disabled recipients.

Mr. Speaker, on July 1, Federal SSI benefits for individuals were increased from $140 to $146 a month. Thus far, nine States have agreed to pass on these higher Federal benefits to all or at least some of their recipients. Five other States have approved or are about to approve higher State supplemental payments. But these State actions are likely to affect less than 25 percent of the approximately 1.5 million Americans who now receive some State supplemental aid. The vast majority of all State supplemental recipients will receive no net gain in income as

a result of the July increase in Federal benefits.

I should indicate that the Mondale mandatory passthrough even if approved, would not have affected benefit levels this year. But it would have resolved this problem in the future.

I know some of my colleagues maintain that the level of State supplementation should not be a matter of concern to the Federal Government. Yesterday, in fact, during the debate on H.R. 8217, Congresswoman GRIFFITHS expressed concern about the $75 million in Federal funds that would be required to help defray the cost of supplementation in certain States under the Mondale amendment.

Mrs. GRIFFITHS believes that it is somehow inequitable for the recipient in Massachusetts to receive more Federal dollars in SSI benefits than his or her counterpart in Mississippi.

I think it is important to note, however, that State efforts in the income support area very greatly. For at least 10 States, SSI has brought a great windfall. In large part, it has taken them out of the adult welfare business. But in certain other States, including Massachusetts and California, State expenditures for supplementation now exceed State outlays for the pre-SSI adult catigorical programs.

The Mondale amendment was intended to give some measure of continued Federal support to those States where major State financial efforts are still being made.

Ironically enough, under the terms of H.R. 8217, those States that are now spending the most for SSI will have to bear the full cost of any future SSI cost-of-living increase, if this increase, in fact, is passed on to recipient. At the same time those States that spent the least before SSI will be absolved of any responsibility to help pay for these higher benefits.

Mr. Speaker, the debate may continue over the question of Federal versus State responsibilities with regard to income support for the aged, blind, and disabled. In the meantime, the recipient is caught in the middle.

Next year, if not before then, I hope Congress can take a fresh look at the supplemental security income program. It is clear that we must provide a more adequate benefit system for millions of Americans in all States who, because of age or disability, are forced to survive on incomes that keep them only a few dollars away from starvation.

ON THE REGULATION OF OIL TANKERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, as the energy needs of the United States continue to mount, even when Americans are being asked to conserve energy, pollution from oil tankers will increasingly represent a threat to the environment. Last week New York witnessed the results of a minor spill off Port Jefferson, on Long Island Sound: A hose line on the Nepco *Courageous* ruptured as the tanker was transferring oil to a barge. After the oil spill the Coast Guard lowered a 900-foot boom around the oil, but heavy seas and winds allowed the oil to escape and it soon started moving eastward along Suffolk's north shore. A 27-mile stretch of beach had to be cleared of oil in an operation that involved over 100 men. Thousands of residents were kept from swimming for varying periods of time, and it is estimated that it will take from 2 to 3 weeks to finish removing the black globules of oil from the shoreline and wetlands areas.

Though tanker spills are most noticeable when they pollute our beaches, they represent a more serious threat to the ocean. There are leaks from ships whose hulls have cracked or whose tanks have ruptured, perhaps as the result of the ship's going aground. There is callous dumping by ships whose masters believe that ocean currents will disperse the oil before culpability is established. Finally, there is the general dumping by all shipping, tankers and merchant vessels as well, of oily bilge and ballast water.

These constant leaks, spills, and irresponsable dumpings of tank slops have a cummulative poisoning effect, since oil is a hazardous substance for most marine wildlife and plant life. An oil slick moving over the surface of the ocean destroys plankton, and these tiny plants are responsible for the primary production of more than 90 percent of the living material in the sea. The smothering of plankton deprives fish and birds of sustenance, since the life cycles of the sea are so interdependent.

Oil spills also directly affect birds by destroying the natural waterproofing on their skin and feathers. The birds' ability to float properly and to catch fish is therefore hampered, and they are often poisoned by swallowing oil when they preen themselves. A wide variety of effluents poisons the seas. Oil, however, is the greatest polluter of the seas, and tankers disperse more oil into the oceans than any other source.

Because of their widespread environmental damage, oil tankers are increasingly coming under regulation. Last October, the United States participated in the International Convention for the Prevention of Pollution From Ships, which proposed regulations for the construction and operation of oil tankers. The agreement reached in London on November 2 represented the culmination of preliminary negotiations extending back some 2 years before the convention, and this agreement constitutes a substantial improvement of existing international law governing control of pollution from ships. Under the convention, all oil-carrying ships would be required to be capable of retaining oily residues on board. Tankers would have to be fitted with oil discharge monitoring and control systems, oil-water separating equipment or filtering systems, slop tanks, and special pumping and piping arrangements to minimize pollution. A prohibition would be placed on the discharge of oil within 50 miles of land, and parties to the convention would insure the provision of reception facilities for residual oil.

These are just some of the convention's regulations, but it will take many years before they come into effect. The convention must first be ratified by 15 States, representing at least 50 percent of the world's gross tanker tonnage. In the case of the United States, the President has yet to request the Senate's ratification of the convention, and to date, no State has executed a ratification.

Fortunately, however, Congress has already acted on tanker regulation through the Ports and Waterways Safety Act of 1972. This act increases Federal authority to prevent and control the discharge into the marine environment of oil and hazardous substances. It authorizes the establishment and operation of vessel traffic systems in congested waters and directs the U.S. Coast Guard to set forth minimum standards of design, construction, alteration, and repair of vessels for the purpose of protecting the marine environment.

Under the authority granted by the Ports and Waterways Safety Act, the Coast Guard has recently published proposed rules to implement the provisions of the act. These rules would become effective for U.S. vessels engaged in domestic trade sometime in 1975, and for U.S. vessels in foreign trade and foreign vessels entering U.S. waters by January 1, 1976. The proposed rules are consonate with the provisions of the International Convention for the Prevention of Oil Pollution from Ships, and once implemented, they would insure a positive response to oil pollution from tankers within U.S. waters.

However, I do have certain reservations with these proposed rules, and I believe that the Coast Guard has been overly cautious in not demanding the best antipollution equipment for oil tankers. Several incidents involving fires and explosions on large tankers in ballast condition led IMCO, the Intergovernmental Maritime Consultative Organization, to recommend the use of inert gas blanketing on new supertankers. Yet the Coast Guard chose not to incorporate this safety device in their proposed rules. The supertankers now coming into operation are completely electronic, and an electrical blackout would render them inoperable. IMCO has recommended the installment of emergency generators to back up electricity generated by the boiler system, but the Coast Guard has left this provision up to further study The Coast Guard also wishes to further consider duplicate steering mechanisms, such as twin screws and twin rudders, which would increase a tanker's maneuverability. But the duplicate mechanisms have been recommended by IMCO, and several oil companies, such as Gulf Oil Trading, have adopted their use. While the Coast Guard bargained for double bottoms at the Convention for the Prevention of Oil Pollution from Ships, and the Senate Commerce Committee has incorporated double bottoms in its cargo preference legislation, this provision has been specifically excluded from the Coast Guard's proposed rules.

While these antipollution and safety

devices would reduce the chances of a major oil spill, the Coast Guard contends that their cost and the lack of information on the necessity of their implementation discounts the case for their immediate adoption. Mr. Speaker, the results of a major spill, such as the collision of two supertankers each carrying millions of gallons of oil, would be disastrous. I believe that in order to prevent such an occurrence, the best available antipollution equipment within the present state of technology must be incorporated into the construction of oil tankers. And if there is some debate over the adoption of a specific piece of antipollution equipment, we must not be too hesitant. That equipment could prevent an oil spill whose damage would be irreparable.

Under the Ports and Waterways Safety Act, the Coast Guard has the authority to require a tanker to adopt the best antipollution equipment. In the regulations the Coast Guard has presently proposed, there are no provisions for inert gas systems, duplicate steering mechanisms, or double bottoms. I urge the Coast Guard to incorporate these devises into the final set of regulations. If the Coast Guard fails to do so, I urge the Merchant Marine and Fisheries Committee to draft legislation that would mandate the use of specific antipollution devises. This committee should follow the lead of the Senate Commerce Committee, which has modified the cargo preference bill to require that new U.S.-flag tankers would be constructed with segregated ballast double bottom systems. However, I hope that the final Coast Guard regulations will obviate the need for such specific legislation.

INTRODUCTION OF THE COASTAL ZONE AND ENERGY PRODUCTION COORDINATION ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 10 minutes.

Mr. HARRINGTON. Mr. Speaker, in April of this year, the Council on Environmental Quality issued its preliminary assessment of the environmental implications of drilling for oil and natural gas on the Atlantic Outer Continental Shelf and in the Gulf of Alaska. Its conclusions made provocative reading for those of us who live in States adjacent to these areas. Among its observations are the following:

As the development of offshore oil and gas proceeds from the initial exploratory phase through drilling, production, and transportation, substantial onshore activity will be generated, from which both positive and negative impacts can be expected. The degree to which on balance these effects are positive is related to the ability of public officials to plan for and direct the onshore development that is integral to OCS development and to plan for the growth that onshore facilities generate throughout the region. Refineries, petrochemical complexes, construction industries, and related service operations increase employment opportunities, economic output, and income, but the growth that they cause will strain existing public services, bring additional land under commercial, residential, and industrial development, and add to air and water pollution.

The Council evaluates development in a fair and balanced way, but sums up its perceptions bluntly. The Council states:

OCS operations will result in massive development in areas where there is little or no experience in land use planning or regulatory activities, unless this capability is quickly developed in such areas, the result could be permanent degradation of the environment and unnecessary disruption of traditional values and lifestyles for those living there now.

Clearly, Mr. Speaker, if domestic oil and gas development proceeds in such areas, the result could be disastrous for States which find themselves unprepared. For that matter, energy activity generated by increased importation of fuel could be as damaging. The vulnerable and valuable nature of our Nation's coastal areas makes them especially susceptible to the adverse effects which any kind of rapid, uncoordinated energy development might impose.

Individuals will differ on the advisability of going forward in short order with drilling in the Atlantic and the Alaskan Gulf, but few would disagree on the need to equip the coastal States with improved planning and management capabilities for the energy activity—whether import-related or domestic—which is sure to come, sooner or later. The CEQ observes:

In the Atlantic and New England states and in Alaska, there has been little government experience with offshore oil and gas development. Affected states should strengthen their coastal zone management programs by developing special technical expertise on all phases of OCS development and its onshore and offshore impacts.

Specifically, the Council advises:

Before approving state coastal zone management programs, the Secretary of Commerce should require the state plans to consider refineries, transfer and conversion facilities, pipelines, and other development within the coastal zone.

It is in order to insure that factors like these are taken into account, Mr. Chairman, that today I am submitting the Coastal Zone and Energy Production Coordination Act. The bill amends the Coastal Zone Management Act of 1972, which has given rise to the management programs to which the CEQ refers. In my view, the present act is too general in its planning and operating requirements, and too modestly financed to make more intensive and specific efforts feasible. The legislation I offer today is designed to correct these deficiencies. It is premised on these findings:

There is a likelihood of considerably increased leasing of tracts on the Outer Continental Shelf lands of the United States for the purpose of exploring and developing oil and natural gas resources;

There is a likelihood of increased commercial and industrial activity in the coastal zones of the various States, due to growth in the transportation and importation of energy sources;

These increases in energy-related activities are likely to have economic, environmental, social, and cultural impacts on coastal States, due to the construction and operation of energy-related facilities such as oil refineries, petrochemical complexes, gas processing plants, deepwater port facilities, oil and natural gas storage installations, pipeline systems, offshore production structures, and other energy-related facilities, and the conduct of various energy-related activities;

Economic impacts may include changes in the number and nature of employment opportunities, adjustments in State and local tax bases, and modifications in the mix of commercial and industrial enterprises;

Environmental consequences are likely to include increased demands for air and water pollution control installations, disruptions in land use patterns, adverse modifications in plant and animal habitats, and oil spills;

Consequences for the social and cultural qualities of nearby communities are likely to include stresses on water and power supplies, health care systems, transportation, governmental structures, and other institutions affected by sudden changes in the nature and amount of population; and

There is a need to improve the coastal zone management capabilities of the affected States, so that they might plan and implement programs to coordinate energy-related development in their coastal areas, and minimize any adverse consequences stemming from economic, environmental, and social impacts.

The major provision of the legislation, Mr. Speaker, involves establishment of a Coastal Zone and Energy Production Coordination Fund within the Treasury. Five percent of the Federal Government's revenues derived from provisions of the Outer Continental Shelf Lands Act is set aside for the Fund. The Secretary of Commerce is authorized to make grants from the Fund for the preparation and implementation of State coastal zone and energy production coordination programs.

These coordination programs are intended to be specific and extensive blueprints for planning and managing energy programs in coastal areas. For example, a program, to be approved, must include a method for:

Identifying specific sites where refineries and other energy installations might be constructed and operated, and where energy-related operations might take place;

Identifying specific sites where facilities to improve the environmental safety and quality of energy-related activities might be constructed and operated;

Identifying specific sites where installations to improve the safety, health, and welfare of personnel engaged in energy-related activities might be constructed and operated;

Comparing alternative sites for a given energy-related facility or activity, including a method for ranking alternative sites on a combination of economic, environmental, social, and cultural factors;

Conducting an analysis of the potentially disruptive effect a given facility or activity is likely to have on the traditional values, lifestyles, and community character of surrounding areas;

Conducting an analysis of the attitude of the area's inhabitants regarding a given energy-related facility or activity.

The overall objective of this proposal, Mr. Speaker, is to equip States with the capacity to make wise choices. In many cases, these choices may involve cooperative efforts by two or more States to settle upon one location for a refinery or deepwater port sufficient to supply an entire region. Therefore, as a second major feature, the bill provides special financial bonuses in order to encourage regional planning and decisionmaking.

In the case of a State acting by itself, grants provided from the fund may cover up to 66⅔ percent of the cost of developing or administering the coordination program in any one year. But in the case of two or more States acting together, the grants may cover up to 90 percent of the cost of development or administering a coordination program for the joint management of energy-related activity in those respective States.

A third goal of the bill, Mr. Speaker, is to widen the concept of a "coastal zone" so as to make the bill more flexible. A State may face the prospect of choosing between a coastal refinery site, or one several miles inland where environmental hazards might be less serious. Since selection of the inland location might spare a coastal area from undesirable impacts, it is hardly reasonable to make funds available for siting facilities along a sea shore, but to cut the money off when an inland alternative is considered instead. My amendment, therefore, amends the definition of "coastal zone" to include "those inland areas which are subject to development as a result of energy-related activities taking place on or in the Outer Continental Shelf."

A fourth provision of the legislation authorizes the Secretary to act in a "management consultant" capacity to the States. When he deems it necessary or desirable, the Secretary may issue written evaluations of a State's coastal zone management performance and capabilities, with recommendations for improving State action. The idea is not to provide the Secretary with Draconian "sanctions" he can invoke, but to enable him to comment, without any strings attached, on a State's situation.

A fifth provision concerns the Coastal Zone Management Advisory Committee, a 15-member group appointed to advise the Secretary. The Secretary is required to make certain that "the general public is adequately consulted" by the committee in its deliberations.

Mr. Speaker, I would like to insert a text of the legislation which I am introducing today.

The material follows:

H.R. 16228

A bill to amend the Coastal Zone Management Act of 1972 to broaden the planning and operating capabilities of the various states receiving grants under that Act so that they might better manage the development of energy-related activities in their coastal zones

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Coastal Zone and Energy Production Coordination Act".

FINDINGS

SEC. 2. The Congress finds that—

(a) there is a likelihood of considerably increased leasing of tracts on the Outer Continental Shelf lands of the United States for the purpose of exploring and developing oil and natural gas resources;

(b) there is a likelihood of increased commercial and industrial activity in the coastal zones of the various States, due to growth in the transporting and importing of energy sources;

(c) these increases in energy-related activities are likely to have economic, environmental, social, and cultural impacts on the coastal States, due to the construction and operation of energy-related facilities such as oil refineries, petrochemical complexes, gas processing plants, deepwater port facilities, oil and natural gas storage installations, pipeline systems, offshore production structures, and the conduct of various energy-related activities;

(d) economic impacts may include changes in the number and nature of employment opportunities, adjustments in State and local tax bases, and modifications in the existing mix of commercial and industrial enterprises;

(e) environmental consequences are likely to include increased demands for air and water pollution control installations, disruptions in land use patterns, adverse modifications in plant and animal habitats, and oil spills,

(f) consequences for the social and cultural qualities of nearby communities are likely to include stresses on water and power supplies, health care systems, transportation, governmental structures, and other institutions affected by sudden changes in the nature and amount of population; and

(g) there is a need to improve the coastal zone management capabilities of the affected States, so that they might plan and implement programs to coordinate energy-related development in their coastal areas, and minimize any adverse consequences stemming from economic, environmental, and social impacts.

PURPOSES

SEC. 3. It is the purpose of this Act to insure that—

(a) the affected States have adequate financial and technical capacity to perform the planning and management functions required to coordinate energy-related development in their coastal areas;

(b) the affected States have the expertise to identify and compare prospective sites for energy-related activities and facilities;

(c) the affected States have the expertise to identify and evaluate the economic, environmental, social, and cultural impacts of energy-related development; and

(d) inter-state cooperation, where desirable in the planning and management of energy-related development, is effectively promoted.

AMENDMENTS TO COASTAL ZONE MANAGEMENT ACT OF 1972

SEC. 4. The Coastal Zone Management Act of 1972 (16 U.S.C. 1451–1464) is amended as follows:

(1) The third sentence of section 304(a) of that Act (16 U.S.C. 1453(a)) is amended by inserting, "except the zone shall specifically include those inland areas which are subject to development as a result of energy-related activities taking place on or in the Outer Continental Shelf" immediately after "coastal waters."

(2) Sections 307, 308, 309, 310, 311, 312, 313, 314, and 315 of that Act are redesignated 308, 309, 310, 311, 312, 313, 314, 315, and 316, respectively.

(3) That Act is amended by inserting the following immediately after section 306:

"SPECIAL COASTAL ZONE AND ENERGY PRODUCTION COORDINATION GRANTS

"SEC. 307. (a) There is hereby established in the Treasury of the United States the Coastal Zone and Energy Production Coordination Fund (hereinafter in this Act referred to as the 'fund'). The Secretary is authorized to make grants from the fund to the coastal states to assist them in fulfilling the additional management program development functions and administrative functions described in this section.

"(b) Notwithstanding any other provision of law, 5 per centum of the Federal revenues from the Outer Continental Shelf Lands Act shall be paid into the fund, except that the total amount paid into the fund shall not exceed $150,000,000 in any one year.

"(c) Notwithstanding any other provision of this Act, for the purposes of this section 'coastal state' means a State of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico. or Long Island Sound.

"(d)(1) The Secretary is authorized to utilize the moneys provided by the fund to make grants to those coastal states who are determined by the Secretary to have qualified for Management Program Development grants under section 305, and who in addition shall commence development of a Special Coastal Zone and Energy Production Coordination program (hereinafter in this Act referred to as the 'Coordination program');

"(2) The Coordination program shall include a method for—

"(A) identifying the specific sites where there might take place the construction and operation of oil refineries, petrochemical complexes, gas processing plants, deepwater port facilities, oil and natural gas storage installations, pipeline systems, offshore production structures, and other energy-related facilities;

"(B) identifying the specific sites where there might take place the construction and operation of facilities related to the importation and transportation of energy sources;

"(C) identifying the specific sites where there might take place the construction and operation of facilities to improve the environmental safety and quality of energy-related operations, and to improve the safety, health, and welfare of personnel engaged in energy-related activities, and their dependents;

"(D) comparing alternative sites for a given energy-related facility or activity, including a method of ranking alternative sites on a combination of economic, environmental, social, and cultural factors, which ranking shall be made public at least 90 days prior to issuance of any State license or permit for the construction or operation of such facility, or the conduct of such activity;

"(E) conducting an economic analysis of the likely impact of such facility or activity on the surrounding area;

"(F) conducting an analysis of the likely environmental impact of such facility or activity on the surrounding area;

"(G) conducting an analysis of the likely

impact of such facility or activity on the social and cultural characteristics of the surrounding area; and

"(H) conducting an analysis of the potentially disruptive effect such facility or activity is likely to have on the traditional values, lifestyles, and community character of surrounding areas, and of the attitudes of the area's inhabitants regarding such facility or activity.

"(e) The economic analysis conducted under subparagraph (d)(2)(E) shall include estimates of the—

"(1) number and nature of the employment opportunities which would likely be created by the construction and operation of each energy-related facility, and by the conduct of each energy-related activity, including the opportunities which would likely be created indirectly due to the impact of the facility or activity on services, associated manufacturing, and other economic functions in the surrounding area;

"(2) proportion of such employment opportunities which would likely be filled by local residents, and those which would likely be filled by new residents entering the local job market, together with an analysis of methods of increasing the proportion of such opportunities which might be filled by local residents, whether through job training programs, special recruitment efforts, preferential hiring systems, or other means;

"(3) loss of certain employment opportunities which might occur in commercial and industrial enterprises, such as fishing and tourism, which might be adversely impacted by such energy-related facility or activity; and

"(4) likely impact of such facility or activity on the tax bases of the affected State and localities.

"(f) The environmental analysis conducted under subparagraph (4)(2)(F) shall include estimates of the effect of such facility or activity on air and water pollution levels, land use patterns, animal and plant habitats, and other characteristics of the physical and ecological systems of the surrounding area.

"(g) The analysis of the social and cultural impacts conducted under subparagraph (d)(2)(G) shall include estimates of the effect of such facility or activity on the government service functions of the surrounding area, including the water supply, health care, transportation, and law enforcement systems.

"(h) The Secretary is further authorized to utilize the moneys provided by the fund to make additional administrative grants to the coastal States for the purpose of administering approved coordination programs. States shall be eligible for such grants if they are determined by the Secretary to have acceptably developed coordination programs, satisfied the requirements for receiving administrative grants under section 306 and satisfied the Secretary of their intention to administer a coordination program in accord with rules and regulations promulgated by the Secretary.

"(i) The Secretary is further authorized to utilize the moneys provided by the fund to provide grants for the rental, acquisition, construction, operation, or maintenance of public facilities necessary to fulfill the approved functions of the coordination program.

"(j) The grants provided under subsections (d) and (h) shall not exceed 66⅔ per centum of the costs of developing and administering a coordination program in any one year, except that the grants shall not exceed 90 per centum of the costs of a coordination program in any one year in instances where two or more States, at least one of which is a coastal state, submit a coordination program for the joint management of the energy-related activity and development in their respective States.

"(k) The Secretary shall, by regulation, establish additional requirements and guidelines for grant eligibility under this section, and shall, in like manner, provide for coordination of such grants with all other provisions of the Coastal Zone Management Act."

(4) Section 308 of that Act, as redesignated, is further amended by inserting at the end thereof the following new subsection:

"(h) From time to time, as he deems necessary, the Secretary shall evaluate each coastal State's coastal zone management performance and capabilities. Such evaluations shall be made in writing and shall be made public, and shall include recommendations for improving such performance and capabilities."

(5) The third sentence of section 312(a) of that Act, as redesignated, is further amended by inserting ", and that the general public is adequately consulted" immediately after "coastal zone resources".

(6) Section 314(a) of that Act, as redesignated, is further amended by striking out "307" and inserting "308".

(7) Section 316(a)(3) of that Act is further amended by striking out "312" and inserting in lieu thereof "313".

(8) Section 304 of that Act (16 U.S.C. 1453) is amended by (1) striking out "307(f)" in subsection (h) and inserting in lieu thereof "308(f)"; and (2) striking out "307(g)" in subsection (1) and inserting in lieu thereof "308(g)".

THE 1974 CAPTIVE NATIONS WEEK A TRULY AMERICAN EXPRESSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, as in previous years, all sections of our country responded to the President's proclamation of Captive Nations Week.

Americans, who understand the fundamental truth that we ourselves cannot remain free unless we constantly and persistently seek the freedom with justice of over one-third of humanity, appropriately raised their voices in behalf of all the captive nations in Central Europe, within the U.S.S.R., in Asia, and in Cuba. Believe me, this augurs well for the future of our country as well as the captive nations.

The data on the Week, as reported out by the National Captive Nations Committee and its chairman, Dr. Lev E. Dobriansky of Georgetown University, amply show this popular expression.

To indicate this in initial part, I am happy to submit the following proclamations by Gov. William A. Egan of Alaska, Gov. Stanley K. Hathaway of Wyoming, Gov. John J. Gilligan of Ohio, Mayor Henry W. Maier of Milwaukee, Mayor Jason Luby of Corpus Christi, Tex., Mayor Gerald W. Graves of Lansing, Mich., and Mayor Thomas G. Dunn of Elizabeth, N.J.:

PROCLAMATION CAPTIVE NATIONS WEEK

The citizens of Alaska are sympathetic toward the people of captive nations and their goal for renewed self-destiny.

We recognize the desire for liberty and independence by the overwhelming majority of peoples in the world's conquered nations and strongly support their efforts to regain individual liberty and freedom.

The freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom.

The Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe this week with appropriate prayers, ceremonies, and activities; expressing their sympathy with and support for the just aspirations of captive peoples.

Therefore, I, William A. Egan, Governor of Alaska, hereby proclaim July 14–20, 1974, as Captive Nations Week in Alaska, and call upon the citizens of our State to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

Dated this 11th day of July, 1974.

PROCLAMATION

By a joint Resolution approved July 17, 1959, the Congress has authorized and requested the President of the United States of America to issue a proclamation designating the third week in July as Captive Nations Week and to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

The President of the United States has by such proclamation invited the people of the United States to observe this week with appropriate ceremonies and activities.

Whereas, the spirit of the United States stems from its belief in the ideals of peace, freedom and self-determination; and

Whereas, the oppression of people in Eastern and Central Europe hinders the growth of understanding between Communist and free nations; and

Whereas, many of the people of these captive nations and of other nations which deny liberty to their people, look to the United States as the champion of freedom and for leadership in the struggle for their religious freedoms and individual liberties;

Now, therefore, I, Stanley K. Hathaway, Governor of the State of Wyoming, do hereby proclaim the third week of July as Captive Nations Week in Wyoming and urge all citizens to observe this period by reflecting friendship and harmony to people of diverse backgrounds, and to remember the many citizens of the world who are denied freedom of speech, the press, religion and assembly, as well as the right of political self-determination.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the State of Wyoming to be affixed this 3rd day of July, 1974.

PROCLAMATION IN RECOGNITION OF CAPTIVE NATIONS WEEK, JULY 14–20, 1974

Whereas, this year marks the 15th anniversary of Captive Nations Week, a time set aside by the people of this country in commemoration of those many nations denied their freedom and independence as a result of Communist oppression; and

Whereas, it is of utmost importance to keep this memory alive, and to valiantly and diligently maintain the struggle, lest the battles of our brothers in these captive nations be in vain, and their dreams of freedom fade to nothing; and

Whereas, the United States, itself no stranger to war on tyranny and oppression has become the symbol of personal freedom and democracy in the modern world, and must likewise be the leader of this continuing battle toward a world filled with peace, freedom and equality for all mankind:

Now, therefore, I, John J. Gilligan, Gov-

ernor of the State of Ohio, do hereby designate this week of July 14–20 as Captive Nations Week in the State of Ohio, and join with all nationality organizations and other concerned citizens throughout the state in bowing our heads in silent tribute to the millions still seeking those freedoms which we enjoy.

In witness whereof, I have hereunto subcribed my name and caused the Great Seal of the State of Ohio to be affixed at Columbus, this 8th day of July, in the year of our Lord, One Thousand Nine Hundred and Seventy-Four.

PROCLAMATION

Whereas: The Congress of the United States has provided that the third week of July shall each year be observed as a period during which special concern is to be shown for people living under Communist rule; and

Whereas, This year marks the 15th Anniversary of the unanimous adoption of the Captive Nations Week Resolution of 1959 which President Eisenhower signed into Public Law 86–90; and

Whereas, Captive Nations Week has annually provided a fitting opportunity for Americans to show their solidarity with the people of Eastern and Central Europe; and

Whereas, This year, especially, it is the desire of our Nation's leadership that the observance be made a resounding one so that the world will know that traditional American idealism and politico-morality are as vibrant as ever;

Now, therefore, I, Henry W. Maier, Mayor of Milwaukee, do hereby proclaim the period of July 14–20, 1974, as Captive Nations Week, and I urge all freedom-loving Milwaukeeans to observe this week with appropriate ceremonies aimed at reaffirming our dedication to the principles of national self-determination for all peoples and sustaining the hopes and aspirations of the peoples of the captive nations.

PROCLAMATION

Whereas, recently, relations between the United States and the USSR have improved to some degree, the fact remains that the people of a number of captive nations in many parts of the world are still under oppression; and

Whereas, the desire for liberty and independence by the majority of people in these nations constitutes a powerful deterrent to any ambitions of aggressive leaders to initiate a major war; and

Whereas, the freedom-loving people of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence:

Now, therefore, pursuant to the powers vested in me as Mayor of the City of Corpus Christi, I do hereby proclaim July 14 through 20, 1974 as Captive Nations Week in Corpus Christi and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated people all over the world.

In witness whereof, I have hereunto set my hand and caused the Seal of the City of Corpus Christi, Texas, to be affixed this 10 day of July, 1974.

MAYOR'S PROCLAMATION

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86–90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples.

Now, therefore, I, Thomas G. Dunn, Mayor of the City of Elizabeth, New Jersey, do hereby proclaim the week commencing July 14, 1974 as "Captive Nations Week" in Elizabeth, and call upon all our citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

Given under my hand this 2nd day of July, nineteen hundred and seventy-four.

BACKGROUND ON LEGISLATION FOR THE ELDERLY, PART I

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

Mr. DRINAN. Mr. Speaker, the serious problems which beset our older citizens are among the most important legislative priorities facing Congress. No group of Americans has suffered more from the recent surge of inflation than the elderly, who live largely on fixed incomes. The tremendous increase in the cost of health care has weighed particularly heavy upon the elderly. Housing for elderly Americans remains woefully inadequate.

Congress has long suffered from the absence of a coordinated approach to solving the problems of the aged. The American Association of Retired Persons and the National Retired Teachers Association have helped to provide much needed direction in their study, "Campaign 1974: Aging Issues and Legislative Options." This study, recently distributed to the Members of Congress, discusses pending legislation in the three key areas of income maintenance, health care, and housing. Today I am placing the first section of this excellent background study into the RECORD for the benefit of my colleagues who may not have had an opportunity to read it. The remainder will follow.

CAMPAIGN 1974: AGING ISSUES AND LEGISLATIVE OPTIONS

(Prepared by National Retired Teachers Association and American Association of Retired Persons Legislative Staff)

SECTION I: BACKGROUND STATEMENT AND STATISTICS

Introduction

The merit of a society is said to be intimately related to how it provides for the welfare of its older members. Herein lies an American tragedy: possessing the resources to resolve the problems it knows old age imposes on its members, our society has not demonstrated the will to utilize the means at its disposal. Americans have not faced their responsibility to those who work and efforts have contributed so substantially to a society unequaled in the options, comforts and security it offers to its younger members.

National recognition of the special living problems of the elderly did not focus until 1950 when the Truman Administration responded to an unprecedented increase in the over 65 population by calling the first National Conference on Aging. Two further national conferences have been convened—the 1961 and 1971 White House Conferences on Aging—as this population continues to increase: since 1900, it has done so by nearly 650 percent. Today, our 20.1 million older Americans constitute 10 percent of the total population; it is estimated that their number will grow to at least 33 million by the year 2000 and perhaps even to 55 million a decade later.

Largely as a result of the efforts of the delegates to these conferences, an ongoing attempt has been pursued to define the elderly's problems as well as to determine and recommend the measures necessary to resolve them. The Congress has articulated several noble goals; however, despite significant forward strides, the progress achieved has been at best sporadic, its momentum slowed, and, in some cases, reversed. Federal priorities have been confused and, as a result, national programs have often been both inadequate and ineffective. The ineffectiveness has been brought about in part by a conspicuous absence of coordination between the federal, state and local agencies administering programs designed to ameliorate the conditions that gave them birth. However, given the performance of these programs, the most cruel factor contributing to older Americans' living conditions is the inability of the national leadership to curb the distressing upward trend of inflation.

What are these conditions? To understand them more clearly, it is critical that the most pressing ones be highlighted. Taken from the perspective of mobility, 1.2 million elderly persons were confined to an institution of one kind or another in 1970. Another million were housebound due to chronic conditions. Thus, approximately 18 million older Americans were free to choose their mode of living, subject only to the constraints imposed by their incomes, their relative states of health and available alternatives. But how free are they? It is useful to examine the three basic concerns of the elderly: income, health and housing (human environment).

Income

In most cases, what income older persons have is fixed: nearly 70 percent of the elderly male and 86 percent of elderly female heads of households are not in the labor force. Since the results of the 1970 census, the median income of older families and individuals has been consistently half of that of their younger counterparts. Although Social Security benefits have increased substantially in recent years—reducing the official number of aged poor from 5.3 million in 1969 to 2.1 million in 1973, the cost-of-living has increased by more than 25 percent. The "low" budget for retired couples, as annually established by the Department of Labor, was set at $3,442 in 1972. This is not only $118 a year more than the average couple is receiving in

Social Security benefits but is also more than $1,500 less than the annual budget recommended by the 1971 White House Conference on Aging (WHCoA).

Moreover, there is a substantial degree of hidden poverty among the elderly. Nearly 2 million aged persons are not counted as poor simply because they live in families with incomes above the poverty line. If these persons were counted, nearly a third of those over the age 65 would be classified as poverty stricken. Further, the poverty level itself is based on the cost of a subsistance diet called the Economy Food Plan that was devised by the Department of Agriculture. Established only to vary from rural to urban areas (and not from city to city, state to state or regions within states), the poverty level fluctuates according to the Consumer Price Index (CPI), an indicator of price variations in many commodities besides food. Under present conditions, the potential for inequities is obvious: e.g., while the CPI rose 8.8 percent nationally in 1973, food prices—the basis of the poverty threshold—rose 25 percent in Washington, D.C.

Seen from another perspective, while the number of aged poor is decreasing, the proportion of elderly poor to the total poor population is increasing: while the elderly make up 10 percent of the total population, they constitute 20 percent of the nation's 19.2 million poverty bound.

Health

While growing old is not synonymous with disease, older individuals are more subject to disability, must see physicians more often and require more and longer hospital stays. Indicative of this is the fact that 86 percent of those 65 and older have at least one chronic condition—defining chronic as a permanent, irreversible impairment with residual disability.

Accordingly, the health care costs of the elderly constitute a disproportionate part of the nation's total health care bill: in 1972, 10 percent of the population accounted for 28 percent of the national bill of $72 billion. In fact, the average out-of-pocket expenditure of those over the age 65 doubled that of younger persons ($276 as opposed to $102) while their per capita health care costs tripled that of those under 65 ($1,000 as opposed to $358).

At the same time, Medicare is covering less and less of the older person's health care bill during a period of rising medical costs. Medicare's portion of the bill has declined from 46 percent in 1969 to 42 percent in 1973 while hospital costs rose 10.4 percent last year—despite Cost of Living Council regulations in effect since mid-1971. Furthermore, these rapid increases in health care costs must be seen as affecting most seriously those who have the greatest need and the least ability to pay: the elderly and the disabled.

Housing

The elderly pay a disproportionate part of their income for rent and homeownership costs. While those under 65 pay 23 percent of their incomes for these costs, the aged pay nearly 35 percent. In one mid-western state, more than 8,000 elderly homeowners living on less that $1,000 a year paid 30 percent of their incomes on real estate taxes alone.

While 71 percent of the housing units occupied by elderly heads of households are owner-occupied, 6 million older persons live in dilapidated or substandard housing, 1.6 million live in units lacking basic plumbing facilities and another .5 million live in overcrowded housing conditions.

If fiscal policy is an indicator of national priorities, it is revealing that while tax deductions mostly benefiting upper and middle-income persons totaled $6.3 billion in 1972, only $5.5 billion has been spent on all low and moderate-income housing in the three fiscal years ending in 1975. It should also be noted that housing needs are greatest in urban areas, where housing conditions are deteriorating most quickly and where 60 percent of the elderly reside.

Summary

Of the three basic concerns of the elderly—adequacy of income, health and housing—income is by far the most critical. Health care and housing expenditures constitute the most radical determinants of income adequacy as they are the heaviest drains on older Americans' incomes. Given these factors, improvements in existing income, health and housing programs will affect the adequacy or inadequacy of available life styles for older persons. At issue, therefore, is not only the essence of Administration and Congressional proposals, but the commitment, flexibility and perseverence with which these proposals are pursued. In many areas, immediate action is demanded and the elderly, as a matter of common sense, have the least time to wait.

SECTION II: CAMPAIGN ISSUES, RESPONSIVE LEGISLATION AND FURTHER NEEDS

Income Adequacy

In the Older Americans Act of 1965, Congress nobly declared that the United States has the duty and the responsibility to provide older Americans with an adequate income in retirement in accordance with the American standard of living. The 1971 WHCoA reiterated the essence of this declaration by stating: "There is no substitute for income if people are to be free to exercise choices in their style of living." The present Administration has also said that it is "firmly committed to ensuring an adequate income for older Americans." However, the questions must be asked: what has government done toward fulfilling this goal and what remains to be accomplished? Further, has government realized the qualitative and quantitative distinction between adequate and marginal income?

Social Security—Old Age, Survivors and Disability Insurance (OASDI)

Made possible only by inflation's upward spiral, substantial OASDI cash benefit improvements have been enacted since 1969: 15 percent in 1970, 10 percent in 1971, 20 percent in 1972 and 13.6 percent in 1973. These cost-of-living adjustments have lifted millions of older persons out of their officially determined poverty status. Along with these cash benefit improvements, the retirement earnings limitation test for OASDI recipients has been liberalized to allow an annual income of $2,400 before reductions in benefits begin. A one percent increment in Old-Age Insurance benefits has also been established for those who choose to work rather than retire at age 65. More importantly, the OASDI cash payments program has been made "inflation proof": benefits now automatically increase whenever the Consumer Price Index increases by three percent or more.

Nevertheless, the income characteristics of the aged remain distressing. With eight out of ten older persons out of the labor force and dependent on fixed incomes, the principal problem facing them is the absence of a sound federal economic policy to control inflation. The recent increases in OASDI benefits merely represent attempts to preserve the purchasing power of previous years' increases. What is critical, however, is that the current mechanism to finance these improvements—raising the Social Security taxable wage base—is subject to severe long-range limitations. For example, since the revenues generated by the recent increase in this wage base from $10,200 in 1973 to $13,200 in 1974 will be used solely to preserve the purchasing power of benefit gains achieved in 1972, it is evident that these same revenues cannot be used to finance future benefit increases.

It becomes evident that alternative sources for financing the OASDI cash payments program should be explored to ensure the fiscal viability of the present system. With a declining birth rate, a probable resultant decline in the number of persons actively engaged in the labor force and contributing to the Social Security system, and with a need for future OASDI benefit increases, the use of federal income tax revenues for Social Security benefit purposes may become necessary if not inevitable. For this reason, it is desirable that studies be conducted to ascertain the feasibility of using general revenues for OASDI purposes, particularly for financing cost-of-living adjustments in excess of three percent.

Another issue of some controversy revolves around the advisability of further liberalization or abolition of the retirement earnings limitation test. Many favor its abolition on the grounds that each recipient has an earned "right" to his or her full benefit regardless of other income. Opponents argue that the abolition of the test would mean a fundamental change in the nature of the program, from that of insurance against the loss of income due to retirement, death of a spouse or disability to that of an annuity payable at a certain age. In either case, the employment option must be made more available by liberalizing the test to no less than $3,600 annually until abolition is achieved.

In conjunction with the retirement earnings test's disincentive to continued employment after 65, the current one percent delayed retirement increment, presently available for old-age insurance benefits, should be liberalized on an actuarial basis to counter-balance the test's adverse effects. This would greatly increase benefits since they would be paid over a shorter period of time and would reward those who are able and willing to work and who have to continue to pay the employment tax. This would seem to be simple justice.

Supplemental security income (SSI)

The enactment of the SSI program and its implementation by the Social Security Administration represent exemplary and beneficial efforts of the Federal Government to aid the aged, blind and disabled to attain some measure of guaranteed income protection. The SSI program establishes uniform national standards for eligibility and benefit levels: benefits will soon be $140 monthly for an individual and $215 for a couple. However, critics of the program point out the qualitative and quantitative distinctions between adequate and marginal incomes: the SSI benefit levels neither equal the poverty level nor approach a 1971 WHCoA recommendation calling for a minimum income floor equal to the Department of Labor's "intermediate" budget for a retired couple (presently established at $4,967). Moreover, critics point out that for those elderly persons not covered by OASDI, SSI benefits do not constitute an adequate income.

Thus, the SSI program has need of reform. Among the reforms urged by members of Congress and interest group representatives is an increase of the benefit levels of the SSI program to at least the poverty level. Furtner, it is urged that the official poverty level be made to vary with the cost-of-living not only between urban and rural areas but also between states and regions within states. Finally, a mechanism should be established (as in the OASDI program) whereby SSI benefits automatically increase whenever the CPI increases.

Pension reform

There have been many abuses and inequities experienced by those who had hoped to provide for their retirement through participation in private pension plans. One

Senator recently told of a man who, after working 47 years for the same company, was laid off three months prior to his 65th birthday. Upon applying for his pension benefit at age 67, he was informed that he did not qualify because he was not contributing to the pension fund at age 65. Others have lost benefits due to a pension plan going bankrupt.

These reports of inequities due to irresponsible vesting and funding requirements and inadequate fiduciary standards have prompted Congress to propose responsive private pension reform legislation. Early this year, the House of Representatives approved legislation (H.R. 2) designed to guarantee the retirement rights of 30 million nonagricultural workers currently covered under private plans. Together with a Senate Bill (H.R. 4200) approved in September 1973, this legislation represents the first comprehensive federal attempt to regulate the administration of such plans. Although the plans differ in scope, taken together they would set vesting schedules, establish minimum funding levels, create a plan-termination insurance fund, set reporting and fiduciary standards, participation requirements and provide for transfer of pension contributions from one plan to another in the case of a job transfer.

These reform proposals are at wide variance with Administration views. The President's recommendations called for a 50–50 vesting plan (50% vesting when age and service equal 50, increasing by 10% in each successive year) but did not include plan termination insurance or portability provisions. Plan termination insurance appears the most controversial section of the proposals, within Congress, the Administration and labor. The AFL–CIO building and construction trades division broke with the parent union on this issue, citing a $600 million annual cost rise in construction pension funds which in turn would result in the reduction of pension benefits for participants and termination in other cases.

Tax abatement

Besides health related expenses (e.g., the nutritional requirements for good health), housing expenditures are the weightiest drains on an older person's limited income. For the 70 percent of the elderly who own their homes, the most pressing expense is property taxes. As inflation has eroded the purchasing power of their already fixed incomes, most elderly homeowners have watched property taxes more than double in the last ten years. Since his Special Message on Aging in March 1972, President Nixon has repeatedly said that the remission of property taxes for older Americans is one of his highest priorities.

The vehicle by which the Administration has proposed to effect this goal is the General Revenue Sharing formula. In principle, this initiative gives states and local communities the opportunity to remit or at least lower property taxes of older persons who qualify on the basis of an appropriate measure of income and assets. However, the record of the states and localities clearly shows that these revenues are more likely to be spent on competing issues: in fact, less than 1% of General Revenue Sharing funds were spent on elderly-related services and issues in the program's first year of operation. The principle of making federal revenues available to the states is commendable but it appears that without controls of the nature of the categorical programs, elderly persons are forced to accept such misallocations of funds as in the case of one Rocky Mountain city spending $547,000 on a municipal golf course or a New England town's $333,000 expenditure for new uniforms for the town band. Clearly, some initiative must be taken to urge or compel local units of government to utilize a part of their revenue sharing funds, if not a percentage set-aside, for the President's stated purpose: otherwise, it remains as rhetorical commitment and nothing more.

Last year, Senator Edmund Muskie (D Maine) introduced legislation (S. 1255) to reform and strengthen state and local government financial structures. The purpose of the legislation was to relieve those portions of the tax which undercut other federal programs of assistance to the low-income persons for whom property taxes are both burdensome and arbitrarily administered. It would have set up an Office of Property Tax Relief and Reform in the Treasury Department empowered to pay half the relief offered by a qualified state system up to a limit of $6.00 per capita in each state. To qualify for federal cost sharing, state programs would have to offer relief in the form of cash payments, tax credits or refunds to homeowners regardless of age. In addition, it would also require the states to conform to uniform assessment standards. The bill, however, was left sitting after hearings were held last year and its doubtful whether action will be taken before the close of the current session of Congress. This is unfortunate as the legislation would provide substantial and responsible property tax relief to older homeowners.

Senator Muskie's legislation came in response to a study concerning the status of state property tax administrations conducted by the Senate Subcommittee on Intergovernmental Relations. Delivered in March 1973, the study found that only two states provided property tax relief to all persons within a certain low income limitation, while only nine provide such relief to owners over the age of 65. The general conclusion of the report was that the need for such relief was demanded as the property tax burden falls disproportionately upon those least able to pay it.

Mandatory Retirement and Employment Opportunities

The widening gap between retirement and employment income, the prevalence of poverty and near poverty among millions of older Americans and the absence of prospects for any substantial improvement in the income position of retirees make the status of retirement unattractive and often unacceptable. However, due to a variety of factors including the retirement earnings policies of mandatory retirement, reduced limitation test, prevailing practices and manpower requirements and age discrimination, the older worker is being excluded from the labor force.

As a first step toward remedying this situation, mandatory retirement policies should be abolished by law for an individual's right to work should not depend solely on the arbitrary and often irrational criteria of age. Secondly, national programs—e.g., Title IX of the Comprehensive Older Americans Act Amendments of 1973—should be fully and adequately funded so as to provide a public commitment toward offering the older worker employment options.

Hand in hand with these objectives, the performance of the Age Discrimination in Employment Act of 1967 (ADEA) should be studied thoroughly. Admittedly, age discrimination in employment may be very subtle and difficult to investigate and prosecute; however, if the law is ineffective and difficult to enforce, it should be revised and strengthened. In addition, coverage of the act should be extended to include all older workers, not just those between ages 40 and 64.

Summary

It is apparent that in spite of many improvements in the public mechanisms proving support to older persons, problems will continue to be experienced unless there is further responsible Administration and Congressional commitment. Although the eroding effects of inflation is the major problem, perhaps equally critical is the need for exploration of alternative vehicles for financing the OASDI cash benefits program since the present system, the backbone of most elderly persons income, is subject to severe long-range limitations.

VANDER VEEN PUBLIC SERVICE EMPLOYMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. VANDER VEEN) is recognized for 10 minutes.

Mr. VANDER VEEN. Mr. Speaker, yesterday I introduced, along with 36 of my House colleagues, the Public Service Employment Act of 1974. This legislation would provide funding for 900,000 public service jobs throughout the Nation.

Inadvertently, the names of two cosponsors were not included on the bill introduced yesterday. Several calls came in immediately prior to introduction and were not added to the list.

I am thus reintroducing the bill today on my own behalf and that of Congressman KYROS of Maine and Congressman HICKS of Washington. This brings the number of cosponsors to 38. I appreciate the support of these distinguished Members of the House and hope this support will provide an impetus to the creation of these needed jobs. The text of the bill and my introductory remarks are printed on pages H7285 et seq. of the RECORD of Monday, July 29.

The bill follows:

H.R. —

A bill to amend the Comprehensive Employment and Training Act of 1973 to establish a public employment program for areas of severe unemployment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Public Service Employment Act of 1974".

ESTABLISHMENT OF PROGRAM

SEC. 2. The Comprehensive Employment and Training Act of 1973 (P.L. 93–203; 87 Stat. 839) is amended—

(1) by redesignating title VI, and any reference thereto, as title VII;

(2) by redesignating section 601 through section 615, and any reference thereto, as section 701 through section 715, respectively; and

(3) by inserting immediately after title V the following new title:

"TITLE VI—PUBLIC SERVICE PROGRAMS FOR AREAS OF SERVICE UNEMPLOYMENT

"STATEMENT OF PURPOSE

"SEC. 601. It is the purpose of this title to provide employment opportunities to assure that no area in the United States has an unemployment rate in excess of 7 percent.

"ELIGIBLE APPLICANTS

"SEC. 602. (a) Financial assistance under this title may be provided by the Secretary only pursuant to applications submitted by eligible applicants which are—

"(1) prime sponsors qualified under title I; or

"(2) Indian tribes on Federal or State reservations and which include areas of severe unemployment.

"(b)(1) For purposes of this title, the term 'area of severe unemployment' means any area of sufficient size and scope to sustain a public service employment program and which has a rate of unemployment in excess of 7 percent for 3 consecutive months as determined by the Secretary.

"(2) Determinations with respect to the rate of unemployment shall be made by the Secretary at least once each fiscal year.

"PUBLIC SERVICE EMPLOYMENT FUND

"SEC. 603. (a) There is hereby established on the books of the Treasury of the United States a special fund to be known as the 'Public Service Employment Fund' (hereinafter in this Act referred to as the 'fund').

"(b) There shall be available in the fund during each fiscal year an amount equal to the product of—

"(1) the average amount of financial assistance necessary to establish and maintain one public service job under title II (as determined by the Secretary) during the most recent fiscal year; and

"(2) the difference between—

"(A) the total number of unemployed persons in all areas of severe unemployment; and

"(B) the number of unemployed persons in all areas of severe unemployment which is necessary to qualify each such area as an area of severe unemployment.

"(c) Eligible applicants shall be entitled to allotments from the fund in accordance with the excess number of unemployed persons, who were counted for purposes of subsection (b)(2)(B), residing in areas of severe unemployment within the jurisdiction of such applicant compared to the number of such unemployed persons residing in all such areas.

"(d) There are authorized to be appropriated to the fund such sums as may be necessary to carry out the purposes of this title.

"ADMINISTRATION

"SEC. 604. The provisions of sections 203, 205, 206, 207, 208, 209, and 211 shall apply with respect to the administration of this title by the Secretary.

"TRANSITION TO PRIVATE EMPLOYMENT

"SEC. 605. In addition to its functions under section 104, each planning council established by a prime sponsor under section 104 in an area of severe unemployment shall recommend to the prime sponsor procedures to provide assistance, information, and counseling to persons who obtain public service employment under this title, in order to assist such persons in securing subsequent employment in the private sector.".

DEFINITION OF PUBLIC SERVICE

SEC. 3. Section 701(a)(7) of the Comprehensive Employment and Training Act of 1973 (as so redesignated by section 2 of this Act) is amended to read as follows:

"(7) 'Public service' includes, but is not limited to, work in such fields as environmental quality, health care, education, public safety, para-professional medical, nursing, legal, and counseling assistance, crime prevention and control, prison rehabilitation, transportation, recreation, maintenance of parks, streets, and other public facilities, solid waste removal, pollution control, neighborhood improvements, rural development, conservation, beautification, cultural improvement (including the work of artists, artisans, writers, and historians), veterans outreach, and other fields of human betterment and community improvement.".

TECHNICAL AMENDMENTS

SEC. 4. (a) Section 108(b)(2) of the Comprehensive Employment and Training Act of 1973 (P.L. 93-203; 87 Stat. 847) is amended by striking out "603 or 604" and inserting in lieu thereof "703 or 704".

(b) Section 108(d)(1) of such Act (P.L. 93-203; 87 Stat. 848) is amended by striking out "603(1)" and inserting in lieu thereof "703(1)", and by striking out "612(a)" and inserting in lieu thereof "712(a)".

(c) Section 108(d)(3) of such Act (P.L. 93-203; 87 Stat. 848) is amended by striking out "614" and inserting in lieu thereof "714".

(d) Section 419(b) of such Act (P.L. 93-203; 87 Stat. 874) is amended by striking out "603" and inserting in lieu thereof "703".

LINCOLN PLAQUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 10 minutes.

Mr. FINDLEY. Mr. Speaker, in a fitting ceremony today in Statuary Hall, a plaque was dedicated which marks the location of Congressman Abraham Lincoln's desk during the 30th Congress.

Our distinguished Speaker, CARL ALBERT, joined Chairman WAYNE L. HAYS of the House Administration Committee in unveiling the plaque. Both spoke with remarks appropriate to the occasion. As the author of the resolution authorizing the marker, I had the privilege of joining Mr. ALBERT and George M. White, Architect of the Capitol, and Mr. HAYS in troweling mortar in the space in the marble floor of the Chamber reserved for the plaque.

A brief historical review of Statuary Hall and plans for its restoration were given by Mr. White. Rev. Edward D. Latch, Chaplain of the House of Representatives, gave the invocation and benediction. Music was provided by the U.S. Marine Band, with M. Sgt. John Bourgeois conducting.

Presiding over the ceremonies was our colleague from Michigan, LUCIEN NEDZI, who is chairman of the subcommittee which handled the legislative authorization.

The souvenir program included a reproduction of the pages of the Congressional Directory of the 30th Congress which shows the location of the Lincoln desk, photographs of a desk and chair of that period, the first known photograph of Lincoln taken about the time he became a Congressman, and the first photograph of the Capitol Building, taken in 1846—the year before Lincoln was elected.

The plaque was authorized by House Resolution 605, which I authored and which was cosponsored by Congressmen BEARD, DOWNING, ESHLEMAN, KEMP, MADIGAN, MICHEL, MOAKLEY, and STUDDS. The resolution authorizes similar plaques for eight other Congressmen-Presidents: John Quincy Adams, James Buchanan, Millard Fillmore, William Henry Harrison, Andrew Johnson, Franklin Pierce, James Knox Polk, and John Tyler.

Giving the dedicatory address today was the Illinois State historian, William K. Alderfer. He is also director of Illinois State Historical Society and editor of its journal, executive secretary of the Abraham Lincoln Association, and chancellor of the Lincoln Academy of Illinois. He is an eminent authority on Abraham Lincoln, and his stimulating talk centered appropriately upon the years which Congressman Lincoln served as a Representative from Illinois.

So that all may have an opportunity to read his timely remarks, I include them in the RECORD at this point:

CONCERNING CONGRESSMAN LINCOLN

(By Illinois State Historian William K. Alderfer)

I do want to begin by saying how gratifying it is to be here, not only because I am speaking before such an august assembly but because, as an historian, it pleases me to give you the historical credit due you. In all my travels, from the smallest historical society in the State of Illinois, to the largest of our national historical organizations, I have never had the pleasure of speaking to so many nonprofessional historians who have so much historical expertise.

Your own Representative, Paul Findley, who is my Representative, too, and with whom I have the pleasure of working on the board of directors of the Abraham Lincoln Association, is such a Congressman. It is doubtful that plans for the development of the Lincoln Home National Historic Site would be as close to completion as they are if Congressman Findley were not such a persistent advocate and were not, like you so imbued with a sense of history.

In becoming adept at handling contemporary congressional problems and involved with budgets and trade and armaments and civil rights, most of you have acquired a bone-deep, gut-level appreciation of the historical perspective toward the tasks you face. In an era which is striving, sometimes vainly, and occasionally with heartening success, to make history relevant, I confess to you that my knowledge of your constant awareness of the history of your own profession, your own awesome tasks, makes my speech to you a pleasure, rather than a chore.

I would like to talk with you now about one who was once among the least among you, the junior congressman from Illinois from 1847 to 1849. In fact, it is the judgment of many historians that Congressman Lincoln truly *was* the least among you, that his congressional career yielded little of value to that particular session of congress or to the man himself, the man who would later become our sixteenth president.

I wish to dispute that historical judgment. Changing time and changing events can alter historical interpretations. For instance, the caliber of the west-of-the-Allegheny congressman in the past decades has effectively destroyed old prejudices held by the Eastern seaboard that little of consequence ever took place beyond those mountains.

But when the rumpled, homely Lincoln came east, it was still sport to derogate the "Western" states. And in 1848, a reporter from the *Boston Atlas* in Massachusetts, said, "Mr. Lincoln is a capital specimen of a (sucker) whig, six feet at least in his stocklings, and every way worthy to represent that spartan band of the only Whig district in poor, benighted, Illinois."

Mr. Lincoln, however, understood the tongue in the cheek having tucked his own there to good advantage in many court cases. Several days after arriving in Washington—on his first trip east of the Alleghenies—to take up his seat in the 30th Congress, he wrote these prophetic words to William Herndon, his law partner in Springfield: "As you are all so anxious for me to distinguish myself, I have concluded to do so before long."

And Congressman Lincoln did distinguish himself. Ten months later, by the end of the 1st session of the thirtieth Congress and on his return to Illinois, this 38-year-old Congressman had been selected by his party to take a major role in behalf of the campaign of the Whig presidential candidate, General Zachary Taylor.

That Lincoln could distinguish himself in such a short period of time, and among seatmates of the caliber of former President

John Quincy Adams; Joshua Giddings, head of the Whig anti-slavery movement; George Ashman, destined to become president of the Republican national convention that would nominate Lincoln; Alexander Stephens, future vice-president of the Confederacy; Caleb Smith, one day to be Lincoln's secretary of the Interior; and David Wilmot, who became a disruptive and historic force through his Wilmot proviso—that Lincoln could distinguish himself in such a short time and among such people is all the more remarkable when one considers that this was his first and only Congressional term and that even before he took his seat he knew that he would not run for reelection. Another candidate, in a rotation previously agreed upon by the Whigs of the 7th Illinois congressional district, would have this privilege.

The success of Congressman Lincoln can be ascribed, in part, to his capacity for hard work. He attended to all details himself; no favor was too small to merit his closest attention. His reputation for getting things done was so well known that after only six weeks in Washington, Lincoln complained that Whigs were coming to him to get appointments to the Army from President Polk, a Democrat. "Not only does the President have no places to give," explained the exasperated Congressman, "but he could hardly be expected to give them to Whigs at the solicitation of a Whig Member of Congress."

It was this attention to detail, coupled with his willingness to put in long hours, that set Lincoln apart from other able House Members and destined him for important party assignments. He was placed on the Committee on the Post Office and Post Roads as well as on the Committee on Expenditures in the War Department. Both were important assignments for a junior Congressman, and Lincoln discharged his duties satisfactorily.

Lincoln's service to his party and to his constituents may have made him popular with his Whig colleagues, but left him little time for his family. His wife, Mary, had accompanied him to Washington, but after a few months she returned west and stayed at her father's home in Lexington, Kentucky. Although Lincoln had encouraged her to leave, he later regretted it, even though he acknowledged that his work in Washington would not let up. "When you were here," he wrote to Mary, "I thought you hindered me some in attending to business; but now, having nothing but business—no variety—it has grown exceedingly tasteless to me."

The quantity of work may have made Lincoln cry "tasteless" when he was in a mood of depression, but he remained unstinting in the execution of his tasks.

The thirtieth Congress had a Democratic Senate and a House with a slight Whig majority. A Democratic President, James K. Polk, occupied the White House. If the Whigs were to make effective their opposition to the Democrats, it would be in the House, where they held control. Control of both Houses was precarious, and that situation affected Lincoln's future. He was the only Whig from Illinois, a Western State, and the very section of the Nation each party would need to win if it was to tip the political balance. The future of America was in the West, and the West was filling up. The West offered cheap land, and settlers accepted the offer in increasing numbers. Each settler was a potential vote, a vote that might tip the balance. There were railroads to be built; there was the prospect of new territory to be added after successful conclusion of the war with Mexico. America had expansion fever. It was an exuberant time. And Lincoln came from the West.

He was, obviously, a man to be wooed by his Eastern and Southern colleagues. And woo him they did. Much of the business of the thirtieth Congress was devoted to boosting the fortunes of possible Presidential candidates who would be nominated at the Democratic Convention in Baltimore in May, 1848, or at the Whig National Convention in Philadelphia in June. In January, Lincoln was recognized by the Speaker of the House for the purpose of introducing a series of resolutions, later to be known as the "spot resolutions." These were designed to embarrass the Democrats and their President by asserting that the "spot" where the first blood of the Mexican War had been shed was in Mexico, not on American soil as President Polk claimed in his explanation to Congress.

The "spot resolutions" were widely commented upon. They pleased their author and the Whig Party, even though the opposition press in Illinois vilified "spotty Lincoln." One Democratic newspaper called Lincoln a modern Benedict Arnold. When these reports from Illinois reached Lincoln in Washington, he would not back down. On the justice of his position, Lincoln wrote: ". . . No man can be silent if he would. You are compelled to speak; and your only alternative is to tell the truth or a lie."

The "spot resolutions" were a part of Whig policy. They were unfavorably reported by the Democratic press and favorably reported by the Whig press, but they were certainly reported. For a junior Congressman with an ambition to succeed, it was important that they—and he—received such wide notice. They not only gave Lincoln national exposure, but led Whig leaders to give the young Congressman speaking assignments in the coming campaign. These speeches would make him a familiar figure in many eastern and northern States.

Lincoln made his second major address in Congress. In July after the Presidential candidates had been selected, one of the targets in this speech was Lewis Cass, the Democratic standard bearer. Lincoln poked fun at the Democratic efforts to make a military hero out of Cass, although the Democrats were probably only trying to counterbalance Whig assertions that their candidate, "Old Rough and Ready" General Zachary Taylor, was a true hero of the Mexican War.

In discussing Cass's attributes as a hero, Lincoln said, "Yessir, in the days of the Black Hawk War. . . . I fought, bled and came away. Speaking of General Cass's career reminds me of my own. . . . it is quite certain I did not break my sword, for I had none to break; but I bent a musket pretty badly on one occasion. If Cass broke his sword, the idea is he broke it in desperation. I broke the musket by accident."

Lincoln also chided the Democrats for making the popularity of their heroes a major campaign issue. "A fellow once advertised that he had made a discovery by which he could make a new man out of an old one, and have enough of the stuff left to make a little yellow dog. Just such a discovery has Gen. Jackson's popularity been to you. You not only twice made President of him out of it, but you have had enough of the stuff left to make Presidents of several comparatively small men since; and it is your chief reliance now to make still another."

A reporter for the Baltimore American said of this second speech: "Lincoln was so good natured and his style so peculiar that in the last half of his speech he kept the House in a continuous roar of merriment." Humorous Lincoln no doubt was.

But he was also a tireless enough worker to have ferreted out all of General Cass's expense accounts to the U.S. Treasury and to discuss them at great- and sober-length. Irrepressibly, he concluded his speech: "But I have introduced General Cass's accounts here chiefly to show the wonderful physical capacities of the man. They show that he not only did the labor of several men at the same time; but that he often did it in several places, many hundreds of miles apart, at the same time. And at eating too, his capacities are shown to be quite as wonderful, from October 1821 to May 1822 he ate ten rations a day in Michigan, ten rations a day here in Washington, and near five dollars worth a day. . . . On the road between the two places; . . . Mr. Speaker, we have all heard of the animal standing in doubt between two stacks of hay, and starving to death. The like of that would never happen to Gen. Cass; place the stacks a thousand miles apart, he would stand stock still midway between them, and eat them both at once; and the green grass along the line would be apt to suffer some too at the same time. By all means, make him president, gentlemen. He will feed you bounteously,—if—if-there is any left after he shall have helped himself.

Lincoln's style of speaking was bound to attract attention. As the *American* reported it, Lincoln would ". . . commerce a point in his speech far up one of the aisles, and keep on talking, gesticulating, and walking until he would find himself at the end of a paragraph, down in the center of the area in front of the clerk's desk. He would then go back . . . . and walk down again. And so on, through his capital speech."

Lincoln discussed his "speechifying" with Billy Herndon, a friend from Springfield. ". . . I made a little speech two or three days ago. . . I find speaking here and elsewhere about the same thing. I was about as badly scared, and no worse, as when I speak in court." Badly scared was not very scared. Lincoln's speeches were well accepted by eastern whigs. His forensic efforts in the House, despite the poor acoustics and the poorer placement of his seat well to the rear, afforded him the recognition of his whig colleageus.

In fact; at the behest of those political allies, Lincoln did not return immediately to Illinois after the summer recess. The "Lone Star of Illinois"—the standard sobriquet which was Lincoln's introduction at campaign rallies in the east—made speaking excursions into Maryland, Delaware, and Massachusetts in behalf of General Zachary Taylor and the whig party.

It was at one of these whig rallies in Massachusetts that Lincoln met Governor William Seward of New York, later to become Lincoln's Secretary of State. Seward had delivered a speech on the great moral issue of the day—slavery. Later that day, as Seward's son recalled, Lincoln acknowledged the Justice of Seward's moral indignation, and asserted that "we've got to give more attention to . . . (slavery) hereafter than we have been doing."

Although slavery was becoming an issue of major proportions, the folks back home in Illinois were not ready to forget Lincoln's antiwar and antiadministration stands. The next stop after his eastern speaking tour was Chicago, and Illinois patriots remembered that Lincoln had voted the war "infamous and wicked." Throughout his tour of the northern part of his district, the "spot resolutions" rose to haunt him. A commentator for the Springfield State Journal decided that "Lincoln has made nothing by coming to this part of this country to make speeches. He had better have stayed away."

But in spite of that, when the final tally was in on election day, General Taylor had won, and he had taken Lincoln's district by 1,500 votes. Surely Lincoln could take some credit for that success. His own success, over the succeeding years, arose in large part from his insatiable desire for learning. We are all familiar with the legend of Lincoln's reading by the light of the fire. His term in this House of Representatives provided a brighter light, a different kind of fuel for his urge to learn. He used it well. They used him well.

Of the sixteen members of the House of Representatives who have also been President, Abraham Lincoln has been accorded a special place in the hearts of Americans. His

presidential career, which began twelve years after his congressional term ended, needs no recital here. But we would be remiss if we did not recall that Lincoln's congressional career was his first test in national political affairs, the first test of the endurance and determination that he would be called upon to use in leading this Nation away from its darkest hour. In neither career did Congressman Lincoln fail.

ADDRESS OF REPRESENTATIVE CARL ALBERT, THE SPEAKER, U.S. HOUSE OF REPRESENTATIVES

It is great pleasure for me to accept this plaque honoring Congressman Abraham Lincoln on behalf of the House of Representatives. It is appropriate that this plaque should be dedicated at a time when this Hall, which for forty-six years served as the Chamber of the House, is about to be restored to its original setting when these nine members served here.

This historic room, which is one of the most beautiful in the Capitol, should bear the seal of and be recognized as part of the United States House of Representatives. I personally want the 10 million persons who visit the Capitol each year to associate this Chamber, where monumental legislative decisions have been made, with the House of Representatives.

Many Americans may not be aware that Abraham Lincoln served in the House; nor may they be aware that the eight other Presidents honored by this Resolution served in the House. Historians have not placed great emphasis on Presidents' congressional careers or for that matter on the contributions of other Members of the House. The House of Representatives deserves far more than a superficial overview in American history; it deserves recognition commensurate to its contributions to America. I am proud that the House and the Capitol Historial Society are eagerly striving to tell the story of the House of Representatives to more Americans.

The dedication of this plaque today and others in the coming months will increase public awareness of the important congressional contributions of nine of our Presidents. I am pleased that Abraham Lincoln, an American who while President led this nation through its most divided and troubled time in history, is the first Congressman whom we honor today. I cannot help but think that his experience in this room 125 years ago gave him keener insight into the greatness of a constitutional government of the people, by the people and for the people.

REMARKS OF MR. NEDZI

I want to welcome our distinguished guests to this historic chamber where for fifty years the House of Representatives met, except for the brief period after the British burned the Capitol. Perhaps more than any other spot in the country, this room and the men who served in it were at the very heart of our democracy during its first half century.

One of those men who achieved the highest honor the Nation could bestow, the Presidency of the United States, was Abraham Lincoln. There were others who served in this chamber and were accorded that high honor. The purpose of House Resolution 605 is to recognize the eight Congressmen who sat in this hall when it served as the chamber of the House of Representatives and who also served the Nation as President.

The idea of recognizing those Presidents who served the Nation as Congressmen sitting in what is now Statuary Hall was first conceived in 1967 by Representative Paul Findley, who represents a portion of the same district which Lincoln represented in the 30th Congress.

Through the assistance of the House Librarian it was possible to determine the exact location of Lincoln's desk when he sat in this chamber. The desks of the others have been similarly located.

In fact one, John Quincy Adams, has been so memorialized for years. A bronze circle, its inscription long since obliterated by the tramping feet of ages of tourists, marks the spot where he collapsed while serving as a Representative from Massachusetts after he had finished his two terms as President. It is worth noting that Congressman Adams, who had already sampled the U.S. Senate, preferred the House of Representatives after he had served as the Nation's Chief Executive.

On October 17, 1973, Representative Findley introduced House Resolution 605, cosponsored by Representatives Beard, Downing, Eshleman, Kemp, Madigan, Michel, Moakley, and Studds.

Each of the co-sponsors represents the Congressional district represented by one of the Congressmen-Presidents. On November 28, the Committee on House Administration, having held a hearing on the proposal, ordered it reported to the floor of the House for final action.

The House unanimously passed House Resolution 605 on December 3, 1973.

The plaque commemorating the service of Congressman Lincoln, which is being dedicated today, is but one of eight plaques which will be placed in the floor of this chamber in the near future. The others will be set in place during the restoration of Statuary Hall, scheduled to begin in September. Each plaque represents the unique contribution to the leadership of the Nation which has been made by the people's branch of government.

LET JUSTICE BE DONE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the Nation can look with pride on the performance of the Members of the House Judiciary Committee in carrying out its inquiry into the impeachment of the President—no matter what one's position on impeachment may be. We have just witnessed a superb example of America's commitment to democracy: Members of Congress from all over the country, representing the Nation's great diversity, so ably and responsibly debating the articles of impeachment.

There is the chairman of the committee, PETER RODINO—a gentle man with a spine of steel who is a first generation American of Italian extraction. BARBARA JORDAN, of Texas—a black woman, a descendant of slaves, whose brilliant mind is equaled only by her beautiful voice. EDWARD MEZVINSKY, of Iowa—a man whose parents emigrated from Poland and Russia to escape the anti-Semitic czars, and a Representative whose constituency in Iowa is less than 1 percent Jewish. ROBERT DRINAN, of Massachusetts—a Catholic priest. JAMES MANN, of South Carolina—a southerner whose profile in courage was drawn by his voting in support of impeachment while 80 percent of his constituency had voted for President Nixon in the last election. HAMILTON FISH, JR., of New York—of a patrician Republican family who cast his vote to impeach a Republican President as a matter of conscience. And CHARLES RANGEL, of New York, who represents the people of Harlem.

The 37 members of the Judiciary Committee are representative of America. Some people have been impatient with the time the committee has taken in reviewing the evidence of the President's wrongdoing. But, I would submit that the committee has demonstrated the uniqueness of the American system and the great care with which this country and its Congress undertakes the removal of a President from office in midterm.

I am convinced that as a result of the impeccably fair proceedings that took place in the Judiciary Committee, the House will vote overwhelmingly to impeach the President. Americans have been impressed by the ability and responsibility of the members of the Judiciary Committee, their grasp of the issues, and their obvious desire to be fair and to do justice.

Yesterday, I heard one of our Republican colleagues thank a committee member and say that he had just returned from his district and the way the Judiciary Committee had conducted itself made it now possible for him to vote for impeachment. My own position is that the committee has made a strong case against the President and one that demands his removal from office.

I was one of those who cosponsored the original resolution of impeachment which initiated the House Judiciary Committee's proceedings. The committee has built a solid foundation for impeachment and removal of the President from office. But, perhaps more important is that again and again, the members of the Judiciary Committee returned to a basic American precept—that ours is a government of laws, not of men, and that no man, including the President is above the law.

Let justice be done.

ON CEASING U.S. AID TO THE REPUBLIC OF KOREA

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, many of our colleagues are shocked at the deplorable situation now existing in the Republic of Korea. This is a situation that is steadily worsening every day, and one which we are supporting with our funding of that government.

In October of 1972, President Park Chung Hee embarked upon a plan to "change the habits and customs of the population." He imposed severe restrictions on the freedoms of speech and of the press; he repealed limitations on his tenure of office; and ordered new rules concerning many social customs, including manner of dress.

In carrying out his design, he enacted "emergency" plans of a more repressive nature, outlawing any criticism of his government. Let me cite some alarming examples of the repression. A student's "refusal to attend classes and examinations without plausible reasons" and student "assemblies, demonstrations, discussions, rallies and other individual and collective activities in and out of school except normal classes and research activities under the direction and supervi-

sion of school authorities" is subject to "the death penalty, life imprisonment, or more than 5 years' imprisonment."

There have been massive arrests and it is estimated that between 1,100 and 1,200 persons are now in South Korean prisons for committing antigovernment activities. Among these people are well respected citizens, including the only living former President of South Korea, Yun Po Sun; the country's leading poet, Kim Chi Ha; and Kim Dae Jung, the man who opposed President Park in his reelection campaigns of 1967 and 1971. A total of 19 persons were sentenced to death last month for antigovernment activities, but 5 of the sentences were commuted to life imprisonment. Secret trials are held, violating all due process.

I do not believe that the United States can, as Walter Lippman once said, be the "policeman of mankind." But we must not assist a government in the repression of its people. We now have 38,000 troops in South Korea, and the Republic of Korea has received some $14 billion from the United States over the past 20 years.

I do not believe that we should expect all nations receiving U.S. assistance to be in our own image. There are times when we must compromise in setting standards for governments receiving our aid. But, there are times we cannot and must not compromise. Continued economic and military support of the Park dictatorship by the United States is such a case. By not speaking and acting against the inhumane abuses performed by this government, we are in effect condoning its actions. Our continued support here is not only unconscionable, but an embarrassment to the United States internationally.

Last week, in a statement before the Senate Appropriations Committee, Secretary of State Henry Kissinger defended our continued support of the Park government. He said that—

> The stability and security of South Korea were crucial to the security of the East Asian area.

Is the Park government safeguarding the stability and security of the South Korean people through its policies of torture, silencing dissent, arbitrary arrests and cruel punishments? I think not.

I submit to my colleagues, that we must not permit such a flagrant abuse of American tax dollars. President Park is making a mockery of democratic institutions, and violating internationally recognized human rights. U.S. economic and military assistance to the Republic of Korea should be eliminated, or at the very least, substantially reduced, until that country's government discontinues the overwhelming oppression of its people.

The administration is currently asking Congress to approve $161,500,000 in military assistance, $52,000,000 in military credit sales, and $20,800,000 in excess defense articles for South Korea. I will support amendments to the foreign aid bill to eliminate or severely reduce the amount of assistance proposed.

Very deserving of praise for their work in this area are two of our colleagues, Representative DON FRASER, and Representative ROBERT NIX. The joint hearings they recently held did much to focus congressional and public attention on this horrible situation. I am confident that the Congress will realize that where American influence can be used to promote civilized behavior, as is the case in the Republic of Korea, it ought to be so employed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. YOUNG of Alaska (at the request of Mr. RHODES), for August 2 through August 9, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MADIGAN) to revise and extend their remarks and include extraneous material:)

Mr. CRANE, for 5 minutes, today.

Mr. YOUNG of Illinois, for 15 minutes, today.

Mr. MCKINNEY, for 5 minutes, today.

Mr. FRENZEL, for 30 minutes, today.

Mr. FINDLEY, for 10 minutes, today.

(The following Members (at the request of Mr. MOAKLEY to revise and extend their remarks and include extraneous material:)

Mr. ALEXANDER, for 5 minutes, today.

Mr. FRASER, for 5 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. HARRINGTON, for 10 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Ms. ABZUG, for 5 minutes, today.

Mr. DRINAN, for 10 minutes, today.

Mr. VANDER VEEN, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. LANDGREBE and to include extraneous matter.

Mr. GONZALEZ to revise and extend his remarks and include extraneous matter immediately following the remarks of the gentleman from Illinois (Mr. ANNUNZIO).

Mr. PATMAN (at the request of Mr. STEPHENS) to extend his remarks immediately after the statement of Mr. GONZALEZ.

Mr. GUDE to extend his remarks and include extraneous material in the body of the RECORD in one instance.

Mr. GUDE to insert his remarks prior to the vote on the Roybal amendment on H.R. 14012.

(The following Members (at the request of Mr. MADIGAN), and to include extraneous matter:)

Mr. STEIGER of Wisconsin in two instances.

Mr. BUCHANAN.

Mr. LOTT.

Mr. WYMAN in two instances.

Mr. WALSH.

Mr. BAKER.

Mr. ASHBROOK in six instances.

Mr. LANDGREBE in 10 instances.

Mr. ESCH.

Mr. CAMP.

Mr. SARASIN.

Mr. HUBER.

Mr. BROTZMAN.

Mr. BROYHILL of Virginia.

Mr. YOUNG of Florida in five instances.

Mr. MCKINNEY.

Mr. FISH.

Mr. NELSEN.

Mr. KETCHUM.

(The following Members (at the request of Mr. MOAKLEY) and to include extraneous matter:)

Mr. HARRINGTON in three instances.

Mr. LONG of Maryland in 10 instances.

Mr. EDWARDS of California.

Mr. RARICK in three instances.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in two instances.

Mr. SISK.

Mr. THOMPSON of New Jersey.

Mr. DE LA GARZA in 10 instances.

Mr. DELLUMS in 10 instances.

Mr. ROONEY of New York.

Mr. DENT.

Mr. REID.

Mr. CONYERS in 10 instances.

Mr. REES.

Mr. FLOOD.

Mr. STUCKEY.

Mr. WOLFF.

Mr. RIEGLE.

Mr. RYAN.

Mr. ROGERS in five instances.

Mr. BRINKLEY.

Mr. ZABLOCKI in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3056. An act to authorize the Secretary of Agriculture to amend retroactively regulations of the Department of Agriculture pertaining to the computation of price support payments under the National Wool Act of 1954 in order to insure the equitable treatment of ranchers and farmers; to the Committee on Agriculture.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 8217. An act to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971, and for other purposes;

H.R. 10309. An act to amend the act of June 13, 1933 (Public Law 73-40), concerning safety standards for boilers and pressure vessels, and for other purposes; and

H.R. 13264. An act to amend the provisions of the Perishable Agricultural Commodities

Act, 1930, relating to practices in the marketing of perishable agriculture commodities.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2665. An act to provide for increased participation by the United States in the International Development Association and to permit U.S. citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad; and

S. 3477. An act to amend the act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on August 1, 1974, present to the President, for his approval, a bill of the House of the following title:

H.R. 15472. An act making appropriations for agricultural-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 32 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, August 2, 1974, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2614. A letter from the Secretary of the Army, transmitting reports on the number of officers on duty with Headquarters, Department of the Army and detailed to the Army General Staff on June 30, 1974, pursuant to 10 U.S.C. 3031(c); to the Committee on Armed Services.

2615. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on deliveries of excess defense articles during the third quarter of fiscal year 1974, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971, as amended [22 U.S.C. 2321b(d)]; to the Committee on Foreign Affairs.

2616. A letter from the Executive Director, Joint Financial Management Improvement Program, transmitting volume II of a report on Federal productivity, describing several productivity case studies; to the Committee on Government Operations.

2617. A letter from the Chairman, Securities and Exchange Commission, transmitting the third annual report of the Securities Investor Protection Corporation, pursuant to section 7(c)(2) of the Securities Investor Protection Act of 1970 (Public Law 91-598); to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 14213. A bill to amend the Controlled Substances Act to extend for 3 fiscal years the authorizations of appropriations for the administration and enforcement of that act; with amendment (Rept. No. 93-1248). Referred to the Committee of the Whole House on the State of the Union.

Mr. DULSKI: Committee of conference. Conference report on H.R. 14715 (Rept. No. 93-1249). Ordered to be printed.

Mr. NEDZI. Committee on House Administration. Senate Joint Resolution 220. Joint resolution to provide for the reappointment of Dr. William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 93-1250). Referred to the House Calendar.

Mr. NEDZI: Committee on House Administration. Senate Joint Resolution 221. Joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as citizen regent of the Board of Regents of the Smithsonian Institution (Rept. 93-1251). Referred to the House Calendar.

Mr. NEDZI: Committee on House Administration. Senate Joint Resolution 222. Joint resolution to provide for the appointment of Dr. Murray Gell-Mann as citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 93-1252). Referred to the House Calendar.

Mr. NEDZI: Committee on House Administration. H.R. 5507. A bill to authorize the conveyance to the city of Salem, Ill., of a statue of William Jennings Bryan; with amendment (Rept. No. 93-1253). Referred to the House Calendar.

Mr. NEDZI: Committee on House Administration. Senate Joint Resolution 66. Joint resolution to authorize the erection of a monument to the dead of the 1st Infantry Division, U.S. Forces in Vietnam (Rept. No. 93-1254). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. H.R. 16243. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93-1255). Referred to the Committee of the Whole House on the State of the Union.

[*Pursuant to the order of the House on July 31, 1974, the following report was filed on August 1, 1974*]

Mr. BLATNIK: Committee on Public Works. H.R. 12859. A bill to amend title 23, United States Code, the Federal-Aid Highway Act of 1973, and other related provisions of law, to establish a unified transportation assistance program, and for other purposes; with amendment (Rept. No. 93-1256). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL (for himself and Mrs. BOGGS):

H.R. 16211. A bill to authorize the Secretary of the Treasury to reimburse State and local law enforcement agencies for assistance provided at the request of the U.S. Secret Service; to the Committee on the Judiciary.

By Mr. BYRON:

H.R. 16212. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

H.R. 16213. A bill to amend the Internal Revenue Code of 1954 to provide that blood donations shall be considered as charitable contributions deductible from gross income; to the Committee on Ways and Means.

By Mr. COLLIER:

H.R. 16214. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWNING (for himself, Mrs. SULLIVAN, Mr. MOSHER, Mr. ROGERS, Mr. STEELE, Mr. LEGGETT, Mr. FORSYTHE, Mr. BIAGGI, Mr. DU PONT, Mr. ANDERSON of California, Mr. COHEN, Mr. BREAUX, Mr. PRITCHARD, Mr. ECKHARDT, and Mr. GINN):

H.R. 16215. A bill to amend the Coastal Zone Management Act of 1972, to provide more flexibility in the allocation of administrative grants to coastal States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mrs. GRASSO:

H.R. 16216. A bill to establish the Sewall-Belmont House National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 16217. A bill to provide interim cost relief for customers of regulated public utilities; to the Committee on Interstate and Foreign Commerce.

By Mr. LUJAN (for himself and Mr. RUNNELS):

H.R. 16218. A bill to repeal the act of May 10, 1926 (44 Stat. 498), relating to the condemnation of certain lands of the Pueblo Indians in the State of New Mexico; to the Committee on Interior and Insular Affairs.

By Mr. McKINNEY:

H.R. 16219. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. PATMAN:

H.R. 16220. A bill to establish the Smaller Communities Adminstration; to the Committee on Banking and Currency.

By Mr. BOB WILSON (for himself, Mr. MARTIN of North Carolina, Mr. BLATNIK, Mr. RINALDO, and Mr. ST GERMAIN):

H.R. 16221. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. WOLFF:

H.R. 16222. A bill to provide for a program of Federal financial assistance for the installation of noise suppression devices on aircraft to suppress aircraft noise pollution; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of California:

H.R. 16223. A bill to provide the States with the right to adopt or enforce requirements with respect to certain environmental matters; to the Committee on Interstate and Foreign Commerce.

By Mr. FISH:

H.R. 16224. A bill to amend the act of October 2, 1968 (82 Stat. 931), to expand the Redwood National Park in California and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FOUNTAIN (for himself, Mr. BROWN of Ohio, Mr. BROWN of Michigan, Mr. BUCHANAN, Mr. FUQUA, Mr. JAMES V. STANTON, Mr. STEELMAN, and Mr. VANDER JAGT):

H.R. 16225. A bill to provide authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program, to simplify requirements for operation of those projects, and for other purposes; to the Committee on Government Operations.

By Mr. FRENZEL (for himself and Mr. FREY):

H.R. 16226. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for condominium housing associations and certain homeowners' associations and to tax the unrelated business income of such organizations; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 16227. A bill to amend title 38 of the United States Code to liberalize the provisions relating to the payment of pension; to the Committee on Veterans' Affairs.

By Mr. HARRINGTON:

H.R. 16228. A bill to amend the Coastal Zone Management Act of 1972 to broaden the planning and operating capabilities of the various States receiving grants under that act so that they might better manage the development of energy-related activities in their coastal zones; to the Committee on Merchant Marine and Fisheries.

By Mr. HEINZ:

H.R. 16229. A bill to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to exempt from its provisions the period from the 1st Sunday in October 1974, through the last Sunday in February 1975, and to extend the period for the submission of the final report to Congress; to the Committee on Interstate and Foreign Commerce.

By Mr. JONES of Oklahoma:

H.R. 16230. A bill calling for a domestic summit to develop a united plan of action to restore stability and prosperity to the American economy; to the Committee on Banking and Currency.

H.R. 16231. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KARTH:

H.R. 16232. A bill to amend the Lower Saint Croix Act of 1972 by increasing the authorization; to the Committee on Interior and Insular Affairs.

By Mr. KOCH:

H.R. 16233. A bill to amend sections 202 and 203 of title 3, United States Code, to provide for the protection of foreign diplomatic missions, and for other purposes; to the Committee on Public Works.

By Mr. KOCH (for himself, Mr. ADDABBO, Mr. BADILLO, Mr. BROWN of California, Ms. BURKE of California, Mr. CAREY of New York, Mr. CONYERS, Mr. DAVIS of South Carolina, Mr. EILBERG, Mrs. GRASSO, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Mr. PODELL, Mr. REES, Mr. RIEGLE, Mr. ROYBAL, Ms. SCHROEDER, Mr. THOMPSON of New Jersey, and Mr. CHARLES H. WILSON of California):

H.R. 16234. A bill to amend title 5, United States Code, to permit Federal, State, and local officers and employees to take an active part in political management and in political campaigns; to the Committee on House Administration.

By Mr. KOCH (for himself, Ms. ABZUG, and Mr. PHILLIP BURTON):

H.R. 16235. A bill to amend title 5, United States Code, to permit Federal, State, and local officers and employees to take an active part in political management and in political campaigns; to the Committee on House Administration.

By Mr. RONCALLO of New York (for himself, Mr. GRAY, and Mr. SPENCE):

H.R. 16236. A bill to authorize the Secretary of the Navy to transfer ownership of two naval vessels no longer needed by the Navy to the city of New York, N.Y.; to the Committee on Armed Services.

By Mr. STUCKEY:

H.R. 16237. A bill to amend the Securities Exchange Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. WAGGONNER:

H.R. 16238. A bill to amend the Migratory Bird Treaty Act to permit the possession by taxidermists of certain migratory birds, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. YOUNG of Illinois (for himself, Mr. BROYHILL of North Carolina, Mr. MCCOLLISTER, Mr. HANRAHAN, Mr. DERWINSKI, Mr. MURPHY of Illinois, and Mr. ANNUNZIO):

H.R. 16239. A bill to provide for regulation of business franchises, to require a full disclosure of the nature of interests in business franchises, to provide for increased protection of the public interest in the sale of business franchises, and to provide for fair competition in the negotiation of franchise agreements; to the Committee on Interstate and Foreign Commerce.

By Mr. MAHON:

H.R. 16243. A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. ASHLEY:

H.J. Res. 1104. Joint resolution to extend by 62 days the expiration date of the Export Administration Act of 1969; to the Committee on Banking and Currency.

By Mr. KETCHUM (for himself, Mr. BURGENER, Mr. GUBSER, Mr. HOSMER, Mr. JOHNSON of California, Mr. LEGGETT, Mr. STARK, Mr. TALCOTT, and Mr. VEYSEY):

H. Con. Res. 575. Concurrent resolution expressing the sense of Congress that regulations, requiring a statement of ingredients on bottles of distilled spirits and wine, be not promulgated until Congress has considered the matter fully; to the Committee on Ways and Means.

By Mr. KYROS (for himself, Mr. WOLFF, and Mr. YATRON):

H. Con. Res. 576. Concurrent resolution calling for the removal of all foreign forces from Cyprus; to the Committee on Foreign Affairs.

By Mr. GUDE (for himself, Mr. FRASER, Mr. OWENS, Mr. ROYBAL, Mr. DELLENBACK, Mr. HARRINGTON, and Mrs. HECKLER of Massachusetts):

H. Res. 1284. Resolution expressing the sense of the House that the U.S. Government should seek agreement with other members of the United Nations on prohibition of weather modification activity as a weapon of war; to the Committee on Foreign Affairs.

By Mr. PRICE of Illinois:

H. Res. 1285. Resolution calling for a domestic summit to develop a unified plan of action to restore stability and prosperity to the American economy; to the Committee on Banking and Currency.

By Mr. WHALEN:

H. Res. 1286. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States; to the Committee on Rules.

By Mr. YATES (for himself, Mr. ROUSH, Mr. STRATTON, Mr. CONYERS, Mr. LITTON, Mr. MALLARY, Mr. JAMES V. STANTON, Mr. HANNA, Mr. O'BRIEN, Mr. DULKSI, Mr. MACDONALD, Mr. MCCOLLISTER, Mr. HELSTOSKI, Mr. BERGLAND, Mr. MITCHELL of New York, Mr. BYRON, Mr. ANDREWS of North Carolina, Mr. ROSE, Mr. YATRON, and Mr. HORTON):

H. Res. 1287. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 16240. A bill to incorporate in the District of Columbia the American Ex-Prisoners of War; to the Committee on the District of Columbia.

By Mrs. HOLT:

H.R. 16241. A bill to authorize the conveyance of certain lands in the District of Columbia to the Greater Southeast Community Hospital Foundation, Inc., to the Committee on Interior and Insular Affairs.

By Mr. ICHORD:

H.R. 16242. A bill for the relief of Colene D. Ziesman; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

465. The SPEAKER presented a petition of the Inter-Tribal Council of the Five Civilized Tribes, Tahlequah, Okla., relative to Government intervention in the Navajo-Hopi land dispute, which was referred to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

DR. ARTHUR A. SMITH ON INFLATION

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 31, 1974

Mr. COLLINS of Texas. Mr. Speaker, I just read a recent survey that said 70 percent of the American people consider inflation the top problem in America.

So many times we pass over inflation lightly. We refuse to realize that the major cause of inflation is right here in Congress. We in Congress are overspending the Nation's budget. Our continued overspending and our continued deficit financing are accentuating and accelerating our inflation difficulties.

We are looking for easy answers. We would rather not have any answers at all and just shut our eyes and hope that it will go away. But inflation is not going away, and it is continuing to get worse.

Let me give you some realistic facts. In the Sunday, July 28, issue of the Dallas Times Herald they had an interesting artcle by their economic consultant, Dr. Arthur A. Smith. Dr. Smith writes for