

HOUSE OF REPRESENTATIVES—Thursday, March 28, 1974

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

Let the wicked forsake his way and the unrighteous man his thoughts; and let him return unto the Lord and He will have mercy upon him; and to our God, for He will abundantly pardon.—Isaiah 55: 7.

Almighty God, our Heavenly Father, who of Thy great mercy hast promised forgiveness of sins to all those who with hearty repentance and true faith turn unto Thee, have mercy upon us; pardon and deliver us from all our sins; confirm and strengthen us in all goodness; and bring to us a new life, a new hope, and a new glory.

May Thy gracious spirit so dwell in us that we may love Thee with all our hearts and our neighbors as ourselves, that the grace of understanding and good will may live in us and that all envy, all harshness, and all ill will may die.

So shall we follow Him who is the true and living way to peace on Earth and good will among men. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

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

H.R. 6274. An act to grant relief to payees and special indorsees of fraudulently negotiated checks drawn on designated depositaries of the United States by extending the availability of the check forgery insurance fund, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2747) entitled "An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to expand the coverage of the act, and for other purposes."

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

S. 1341. An act to provide for financing the economic development of Indians and Indian organizations, and for other purposes.

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

S. 2174. An act to amend the civil service

retirement system with respect to the definitions of widow and widower.

The message also announced that the Vice President, pursuant to Public Law 93-179, appointed Mr. MONTOYA and Mr. BROOKE to the American Revolution Bicentennial Board.

ECONOMIC STABILIZATION PROGRAM

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, there are 32 days remaining for the Economic Stabilization Act. Thirty-two days in which to reflect on the economic impact of the Cost of Living Council. I have had letters from every sector of my district—the hospital administrators, food industry representatives, small businesses, and giant corporations—and they all have expressed identical views: this country must return to a free market economy without the stifling restrictions imposed by Federal edict.

Our continuing growth is entirely dependent upon economic emancipation from bureaucratic controls. We must restore balance to the traditional forces of supply and demand which have provided this Nation with the strongest economy ever known in the world. A review of current marketplace controls provides retrospective confirmation of the inability of the Federal Government to stabilize wages or prices without disastrous results. The past year has seen spiraling inflation, shortages of basic commodities, lack of capital expansion money, and growing consumer frustration and anger—and all of this can be laid at the foot of chaotic and uncertain Federal authority.

Mr. Speaker, the time for decision is now. I urge my colleagues to join me in supporting the termination of the economic stabilization program.

PERMISSION FOR SUBCOMMITTEE ON CENSUS AND STATISTICS TO SIT DURING DEBATE TODAY

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Census and Statistics of the House Post Office and Civil Service Committee be permitted to sit during the debate under the 5-minute rule today.

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

There was no objection.

THE PEOPLE WANT ACTION

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

Mr. GUDE. Mr. Speaker, the people want constructive, responsible action on a number of gnawing problems. They want reform of campaign financing. They want a more efficient and responsive Government—such as the report of the

Select Committee on Committees promises. And they want budget responsibility so that one of the root causes of inflation—Government spending—can be attacked.

The House has approved budget reform legislation. The Senate has passed campaign financing reforms. But if we do not move ahead in our respective bodies to provide final passage of this legislation, we will deserve the rating of the recent Harris poll which showed that only 21 percent of the American people are satisfied with the work we are doing. The people are ashamed of us. And I am ashamed.

We, in this House, must move forward quickly on campaign financing reform. The leadership must bring these reforms to a vote or, I would guess, be labeled "Watergate hypocrites" by the people.

Our minority leader has said that Congress is closer to revitalizing itself than at any time in history, and I hope he is right. The people want action.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

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

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

There was no objection.

CONFERENCE REPORT ON S. 2747, FAIR LABOR STANDARDS AMENDMENTS OF 1974

Mr. PERKINS. Mr. Speaker, pursuant to the unanimous consent request previously obtained, I call up the conference report on the bill (S. 2747), to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to expand the coverage of the act, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 26, 1974.)

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

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

There was no objection.

The SPEAKER. The gentleman from Kentucky (Mr. PERKINS) will be recognized for 30 minutes, and the gentleman from Minnesota (Mr. QUIE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, today we have before the House for the second time in the 93d Congress a conference report that will provide an increase in the minimum wage for thousands of Americans who have not had a raise since 1967.

Coming to this point in the process has been the result of the efforts of many Members of this body, but I must call particular attention to the efforts of the chairman of the General Subcommittee on Labor (Mr. DENT). JOHN DENT has over the past years worked untiringly to see that thousands of people who work at the minimum wage are provided with an opportunity to keep their heads above water.

Mr. Speaker, the entire subcommittee must be commended for its efforts, but if it were not for the leadership of JOHN DENT, AL QUIE, JOHN ERLENBORN, and PHIL BURTON we would not be here today voting on this most important piece of legislation.

The conference report provides that the minimum wage be increased to \$2 an hour effective May 1, 1974, for all nonagricultural workers who were covered by the act prior to the 1966 amendments. This rate is increased to \$2.10 on January 1, 1975, and to \$2.30 on January 1, 1976.

Nonagricultural workers newly covered by the 1966 amendments and by the 1974 amendments would have a \$1.90 an hour minimum applied initially, with subsequent raises to \$2, \$2.20, and \$2.30 an hour on January 1 of the next 3 years.

Covered agricultural workers would get \$1.60 an hour initially. They would enjoy 20 cents per hour increases on January 1 of each of the next 3 years, and would get \$2.30 an hour on January 1, 1978.

The conference report extends coverage of the minimum wage to the following: Federal, State, and local employees, domestic service employees, retail and service employees, conglomerate employees (in agriculture), telegraph agency employees, motion picture theater employees, logging employees, and shade-grown tobacco processing employees.

One of the most controversial issues in the conference was the overtime coverage for employees engaged in fire protection and law enforcement activities. The conference report provides that beginning on January 1, 1975, such employees must be paid overtime compensation for employment in excess of 240 hours in any 28-day work period, or 60 hours in any workweek; beginning January 1, 1976, in excess of 232 hours in any 28-day work period, or 58 hours in any workweek; and, beginning January 1, 1977, in excess of 216 hours in any 28-day work period, or 54 hours in any workweek.

The Secretary of Labor is required to conduct a study of the average tours of duty of such employees in 1975, and from that data derive an overtime compensation formula to be applied to such em-

ployees beginning on January 1, 1978. A complete overtime exemption is provided for any fire department, police department, or correctional institution with fewer than five employees.

Another controversial section of the legislation is the section relating to employment of students. The conference report provides for the employment of full-time students—regardless of age but in compliance with applicable child labor laws—at wage rates less than those prescribed by the act in retail and service establishments, agriculture and institutions of higher education at which such students are enrolled. Students may be employed at a wage rate of not less than 85 percent of the applicable minimum wage rate or \$1.60 an hour, \$1.30 an hour in agriculture, whichever is the higher, pursuant to special certificates issued by the Secretary. Such special certificates shall provide that students shall, except during vacation periods, be employed on a part-time basis, not to exceed 20 hours in any workweek.

Section 24 also provides that the Secretary may waive the minimum wage and overtime provisions of the act with respect to a student employed by his elementary or secondary school, where such employment constitutes an integral part of the regular education program provided by the school and is in accordance with applicable child labor laws.

The conference report contains long overdue raises for thousands of workers. It is a piece of legislation that is essential, and I urge the House to adopt it.

Mr. DENNIS. Will the gentleman yield?

Mr. PERKINS. I yield to the distinguished gentleman from Indiana.

Mr. DENNIS. I thank the distinguished chairman for yielding to me.

I was among those who voted for this bill when it passed the House. One of the things that persuaded me to do so was the fact that overtime provisions were not applied to local policemen and firemen. I understand that is no longer true in the conference report. They are subject to those overtime provisions. The smaller cities and towns—and I represent many of them, as do many others here—feel that is an exceedingly serious matter. So do the local property owners and taxpayers who have to meet the demand.

I would like to ask the distinguished chairman of the committee what has been done in that regard and why it is that we could not stay with the House version that did protect our local people in that respect.

Mr. PERKINS. Let me say to my distinguished friend from Indiana that the conference broke up on the first day over this one issue of overtime as far as the policemen and firemen are concerned. There is an exemption here. We finally did have to compromise on this one issue, but I do not feel that the compromise went very far myself.

For instance, in the case of Montgomery County, their firemen and their policemen will be exempt under this compromise. Any fire department or police department or correctional institution

that employs less than five employees will be exempt.

Mr. DENT. Will the chairman yield to me?

Mr. PERKINS. I yield to the distinguished chairman of the subcommittee (Mr. DENT).

Mr. DENT. Mr. Speaker, I would appreciate it if the gentleman from Indiana would wait until I finish explaining the changes, because many Members were very anxious, just as I was myself, about that section of the bill. I will answer that at a later time when I get the floor and have an opportunity to explain the matter.

Mr. DENNIS. Will the gentleman yield to me further?

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

Mr. DENNIS. I will be very interested, of course, in hearing a full explanation of the distinguished gentleman from Pennsylvania, but I would like to point out that I have a letter here received this morning from the National League of Cities and the U.S. Conference of Mayors which indicates that they are definitely still unsatisfied.

I might say to the chairman that the mayors of the two largest cities in the area that I have the honor to represent, both of whom are distinguished ornaments of the gentleman's party, expressed to me the fact that they are quite dissatisfied with this legislation.

Mr. PERKINS. Let me say in response to the gentleman that we worked long hours and diligently to try to resolve this problem in a way that is fair to all parties.

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

Mr. PERKINS. I yield 1½ minutes to the distinguished gentleman from Ohio (Mr. HAYS).

(By unanimous consent, Mr. Hays was allowed to speak out of order.)

ELECTION REFORM LEGISLATION

Mr. HAYS. Mr. Speaker, John Gardner, the head of Common Cause, had another one of his numerous news conferences this morning, and he took the leadership of the House to task on the subject of election reform.

Mr. Speaker, he and his minions have ignored the fact that the committee is engaged in the markup of a bill. As I pointed out earlier to the Newspaper Association over in the Senate building, that if we took his bill, in toto, as we did 2 years ago in the way of a substitute, that he would be back in next year saying it was a lousy bill, because that is the only way he can raise money.

The truth of the matter is that we would be better off if we had Edgar Bergen and Charlie McCarthy here holding press conferences instead of John Gardner, because at least Edgar Bergen was funny. But old John, when he holds a press conference, and I have just talked to one of the representatives of one of the big networks, and he said that old John did it again this morning, and he did it before my committee. He said that when old John holds a newspaper conference he reads from a prepared statement, and then if he is asked any questions concerning it he has to lean down to Wurt-

heimer or Jack Conway to find the answer, and then he straightens up and says what those people have told him to say. Whereas, if Edgar Bergen and Charlie McCarthy were holding the press conference we would not have to have them go through that long procedure, because the dummy could say right away what the ventriloquist was saying to him, and so there would not be a lot of waste of everybody's time.

This guy would be bad enough himself if he was not in such a big conflict of interest himself, but this is a way of life for him, because he went through and bankrupted the Urban Coalition, and when he got all of their dough then he set up another one called Common Cause, and there are a lot of suckers who send their money to him, and we cannot do much about that.

But we will bring in a bill one of these days, and you will have a chance to vote on it.

I will say this in conclusion: That he is like a lot of other people around here—he does not have any pragmatic knowledge as to the facts of life in any field whatever, especially in politics, but if he wants to get some, and he wants to come to Ohio in the next couple of years, and I sort of had half a mind not to run, but if he will come there in a year or two and will come to my district and establish residence, I will see that he is helped to get a petition prepared, and the filing fee paid, and will contribute the maximum amount allowed under the law if he will run against me, and I will teach him some of the facts of political life.

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

Mr. Speaker, you will note in the conference report that all of the conferees signed the conference report. Some of the Members have since heard from their municipalities, and they are unhappy with the agreement, regarding the unique overtime provisions for police and firemen.

One thing I can assure the Members is that the Fire Fighters Union was also unhappy with what we agreed to.

Whenever you have a controversy of this nature, and one side is happy, then you know you have not done your job very well.

But, as the Members will recall, we exempted the police and firemen from overtime coverage in the House bill. If we could have come back with the identical exemption for police and firemen we would have. However, the Members will recall that the Senate bill contained a provision requiring time and one-half for hours worked in excess of 192 hours in a 28-day period during the first year after passage, scaled down in the fifth year to 160 hours. We did not accept that language, we accepted something part way between the Senate version and complete exemption. The Members will note that the conference report begins with 240 hours for a 28-day period the first year, 232 hours the second year, and 216 hours the third years. These hours are greater than the provisions contained in the Senate bill.

Further, the hours in a 28-day period for the fourth year and subsequent years,

will be based on the average practice in 1975, as determined by a study by the Secretary of Labor. With respect to the question of what hours are included as hours on duty, the Secretary has been instructed to adopt regulations, so we will have to wait to see what implementing the new and unique provisions of the report which depart from the standard hours of work concept of FLSA will be.

The other compromise we had to make was over the question of the historic ratio for student certificates in the retail and service industries. We dropped the historic ratio entirely from the House bill. However, by way of compromise in the conference we agreed that employers who were in business prior to the enactment of this bill would have the greater of three options if they sought to obtain certificates for more than four students under the student differential. Those options are: the greatest number they had since that 12-month period to May 1961; the number they had the previous year; or one-tenth the total hours of employment of all employees in the establishment.

I think, as one who pushed hardest to get rid of the historic ratio base for student certificates, that was a good compromise. To me, we reached an honest compromise, one that we can live with, and one that the administration, I am confident, will find acceptable. That being the case, having fought this for such a long period of time, and knowing that some employees will be dependent on the minimum wage for the amount they will receive, I urge my colleagues to support this conference report in order that we can get it to the White House before this week is out.

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

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

Mr. MIZELL. I thank the gentleman for yielding.

Mr. Speaker, I would like to direct a question to the ranking member of the General Labor Subcommittee (Mr. QUIE) with respect to section 6 of the conference report, "Federal and State employees."

That section departs from the standard FLSA "hours of work" concept for public agency employees who are engaged in fire protection and law enforcement "activities." Was it the intent of the conference committee to cover by such language employees who are engaged in the rescue-ambulance services—activities of a public agency?

Mr. QUIE. The gentleman is correct that provision, section 6(c), is intended to cover those employees directly employed by a public agency who are engaged in rescue or ambulance activities which are substantially related to fire protection or law enforcement activities. In some instances these rescue or ambulance crews are a part of the fire or police department. In other cases they must be under a separate department of the same public agency, but their activities substantially include rescue and ambulance work associated with fire protection and law enforcement. In that case these em-

ployees are covered by the unique provisions of section 6(c). However, if the employer was covered by the overtime provisions of section 7 of the act prior to these amendments, then its employees would not by operation of the conference report be brought under section 6(c). That section only related to the treatment for overtime purposes of employers newly covered by section 6 of the act.

Does the chairman of the General Labor Subcommittee (Mr. DENT) concur in that understanding?

Mr. DENT. That is correct.

Mr. QUIE. I thank the gentleman.

Mr. MIZELL. I thank the gentleman for yielding and I thank the gentleman from Pennsylvania, the chairman, for his comments.

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

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

Mr. DENNIS. Mr. Speaker, it seems to me as a philosophical matter that the trouble with the gentleman's argument that we compromised the overtime provision is that we had already compromised everything else and this was just about the only thing that was left, and now we have compromised it away, too.

I have been watching this bill for several years and we have had all these youth differentials and coverages for domestics and municipal employees, and finally we get down to the overtime, and I voted for the bill the other day, but as I say I just wonder whether these things were really important, because perhaps we should not have compromised them, and if they were not important at all, what have we been arguing about for the last 2 or 3 years? Maybe the gentleman from Pennsylvania (Mr. DENT) has been right all along.

Mr. QUIE. I would say to my friend, the gentleman from Indiana, that if we wanted to tie up the conference and just refuse to have any agreement I think we could have done that and stayed exactly with the House position, but any time we go to conference we have to work out some compromise, which is just what we did.

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

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

Mr. BELL. Mr. Speaker, I commend the gentleman in the well for his efforts on behalf of the minimum wage bill. I think it is a very fine bill.

Also, as I think politics has been described, as the gentleman said, politics is the art of the possible.

Mr. PERKINS. Mr. Speaker, I yield 14 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I hope I do not need the 14 minutes. I think we are all pretty well acquainted with the substance of the Act, but it is interesting to note, and I would like the gentlemen to hear this, no person in his right mind goes to a conference with an absolute position that nothing can be changed by the other body. That apparently was the position the other body had when it came to the matter of the firemen and the

policemen. However, let us look at the scoreboard.

We the House Members were able to take every substantive provision in dispute and at no time did we give the other body precisely those provisions as they were contained in their legislation. We prevailed without a word change in the minimum wage for the nonagricultural employees covered prior to 1966. The Senate bill provided alternative wage rates and timing schedules. The House position prevailed.

On increases for nonagricultural employees covered by the 1966 and 1974 amendments, again the Senate had different rates and timing. The House bill prevailed all the way.

On the minimum wage increase for agricultural workers, the Senate bill also provided a different timing schedule. The House prevailed in the conference.

On domestic service employees, the House provision prevailed. And then on a motion from one of the minority Members the Senate provision, which just repeated the provision of law as it now is in the Social Security Act, was made part of the agreement, so both the Senate provision and the House provision are in the conference report, as alternative tests, as they appeared in the two separate bills.

I think the gentleman from Minnesota gave the Members a clean interpretation of what happened in student employment. What we really did was widen the opportunity for students to secure employment. We retained the provision that the Secretary of Labor does have now in the law to set up certain special wages without regard to the minimum wage when it is a special case of apprenticeship, learners, or messengers. That has not been changed.

For students, we allow four or less employees to be put on without the traditional precertification by the employer. And in the main Members will find that the greatest number of employees per employer are in the four or under classification.

We also gave the right to the establishment to use the corresponding month of any high year from this year backwards to determine the proportion of student employment to which the establishment is entitled.

We also went further and said that if the highest ratio for the corresponding month of any year was less than 10 percent of the total employment then the establishment would be permitted to use the figure of 10 percent, provided other unemployment would not be thereby created as a result.

So what we have done, we have opened up opportunities if employers really want to employ students. We have practically removed most of the restrictions, except that with respect to a dropout who would not enter into some training job or apprenticeship job. He would not be permitted to work full time for a subminimum wage. I think that is a philosophy and a policy this House has repeatedly stood for in the years I have been handling minimum wage matters.

On the matter of retail and service establishments, the bill came out of our committee with July 1 as the effective

date for the step down from \$250,000 to zero in all those "chain" establishments—not the mom and pop, they are not touched at all; however, the House voted to make the step downs commence July 1, 1975.

The Senate provision was half way in between, and so we compromised and came to January 1, 1975; so that was not a complete surrender of the House position.

The most important, of course, the one subject matter that seems to be uppermost in the minds of all the Members of this House is the question of overtime coverage for police and firemen. As I started to say in my remarks, we can work on legislation in a conference and we will finally get to the one item that either creates a deadlock or we have to work out a compromise. The one item, of course, was the great difference between the House position and the Senate position on overtime for police and firemen. Our bill removed all overtime for police or firemen. The Senate bill put them into the act all the way down to an average 40 hours a week.

The Senate Member from Pennsylvania, Senator SCHWEIKER, offered a compromise. We did not accept the compromise. It reduced it down to 44 hours. We then offered them a compromise of our own.

They would not accept our compromise and we broke up in a deadlock after an all-day and evening meeting.

We had heard from certain quarters that they would like to have this bill this week. We also heard that it was reasonably certain that the House version would be acceptable to all concerned. So we tried again later to get to this one point.

I believe that the compromise is very much in favor of the House position in the matter, because we stopped above where they started to reduce hours. We took the provision that the Senate had and amended it. They had adopted it overwhelmingly and they would not give up on the policeman being covered absolutely down to 40 hours.

We then arrived at a compromise for the firemen going from 60 to 58 to 54 in the 3d year, with the result of a study made by the Secretary of Labor determining the level of hours, but not more than 54 for the 4th year. It will be determined on the national basis of the work schedules of the firemen on one hand and of the policemen on the other, because we know that the conditions that obtain in the firefighters' work schedules are completely different than those worked by policemen.

Yet, we applied to the police the exact same formula that we applied to the firemen. We believe that under the conditions we were faced with, a situation that plainly told the Members of the House that unless we did something for firemen and policemen, the Senate would move to deadlock the conference.

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

Mr. DENT. Mr. Speaker, I yield to the gentleman from California.

Mr. BURGENER. Mr. Speaker, I thank the gentleman for yielding to me; I appreciate it very much.

Mr. Speaker, if I may ask a question specifically about firefighters, and without passing judgment on the conference report, I am trying to understand it. I understand that we received an avalanche of mail from firefighters, city managers, city councilmen, counties and so forth. The firefighters were worried about their jobs; the city governments were worried about the taxpayer.

It is my understanding at the present time that many of our cities use the platoon system where a firefighter works 24 hours on and 24 hours off. They work 11 shifts per month. If we multiply 11 shifts times 24 hours, that is 264 hours per month.

It is my understanding, as I read the conference report, that by 1977, instead of 264 hours, they will be limited to 216 hours. Therefore, the city will be obliged, or the public agency, to pay 48 hours overtime; or in the other case, to reduce the amount of firefighters.

Mr. Speaker, I want to make sure I understand it correctly.

Mr. DENT. Mr. Speaker, I would say that on a strict interpretation of this act, the gentleman is right. However, he must understand the tour of duty and how that tour of duty is expressed will determine whether the 268 hours are all duty time, or tour of duty time, because, under the regulations, the Secretary of Labor establishes appropriate tour of duty regulations.

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

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

Mr. QUIE. Mr. Speaker, I think it would be well if we read at this point what is in the conference report. It says:

The conference substitute departs from the standard FLSA "hours of work" concept directed primarily at industrial and agricultural occupations and adopts an overtime standard keyed to the length of the tours of duty, thereby reflecting the uniqueness of the firefighting service. The Secretary is directed to adopt regulations implementing these new and unique provisions, including regulations defining what constitutes a tour of duty.

So would it not be correct that the gentleman from California would have to wait until he gets the regulations from the Secretary in order to get the full answer to his question?

Mr. DENT. Mr. Speaker, that is exactly correct.

But I tried to give him an answer. I agreed that the assessment the gentleman had made of this situation would be right, but the tour of duty regulations by the Secretary of Labor will be the criteria that will determine whether or not there will be overtime or whether there will not be overtime in periods of regularly scheduled employment.

The SPEAKER. The time of the gentleman from Pennsylvania (Mr. DENT) has expired.

Mr. QUIE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. DENT).

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

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

Mr. HOSMER. Mr. Speaker, my un-

derstanding of the parliamentary situation is that this conference report, of course, must be voted either up or down; there is no possibility for amendment?

Mr. DENT. The gentleman is correct.

Mr. HOSMER. And I understand further that insofar as the police and firemen issue is concerned, there is nobody who can have any assurance that a ruling or a regulation of any particular kind will or will not come out of the regulatory authority, which leaves those of us from the western part of the United States, at least, who are concerned with this matter in a position, I believe, that is untenable.

Therefore, Mr. Speaker, speaking for myself, I will have to vote against the conference report.

Mr. DENT. Mr. Speaker, the gentleman asked me a question, and then he made a statement.

What question does the gentleman wish me to answer?

Mr. HOSMER. Well, I just wanted to make that statement, that is all.

Mr. DENT. Well, I might say to the gentleman that there is not any assurance, looking at it the other way either. There is not any Member in this room who would hazard a guess that the Secretary, who has been making these determinations on other occupations under the minimum wage law, would refuse to make this determination under this very, very serious part of the act.

I have confidence that the Secretary of Labor will make the determination.

I will say, Mr. Speaker, that the League of Cities has not as an organization opposed this, according to its own spokesmen, that is, to me personally and to my staff which has been dealing with them in the last 3 weeks. But they said there would be some Mayors who would issue a statement, and probably some other officials would issue opposing statements. However, it is my understanding that as an organization they would have to go back to their membership, because this is an entirely different proposal than that which was voted on earlier.

Mr. HOSMER. Mr. Speaker, if the gentleman will yield further, I will point out that we in the West know what our people want. They want Congress to handle this; they do not want it handled by some bureaucrat downtown. For that reason, I am sure that many of us must vote against the conference report.

The SPEAKER. The time of the gentleman from Pennsylvania (Mr. DENT) has expired.

Mr. PERKINS. Mr. Speaker, I yield 1 additional minute to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, let me answer the gentleman from California (Mr. HOSMER).

I think it is very important that this House grasp what we are talking about.

I do not know whether there is one or whether there are two or three, but I will guarantee the Members that there are not many fire departments in the entire United States that operate on one single standard of hours of labor, duty time, and off-duty time. There are just as many

formulas for firefighters as there are firefighters.

So we could not expect this Congress or the Members of this Congress to write a formula that would not injure some of them and do too much good for others. We have no way of doing that.

Why do the Members think we accepted the 5-man department cutoff? The cutoff, frankly, will exempt 60 or 70 percent of all the fire companies in the United States.

We only have 207,000 firefighters.

Mr. HOSMER. Mr. Speaker, I can only repeat that we know what our firemen and policemen and our people in the West want us to do.

Mr. DENT. Mr. Speaker, I now wish to clarify some potential ambiguities in the conference report.

With respect to section 17, Substitute Parents for Institutionalized Children, the conference report erroneously contains the word "or" when discussing the category of children to whom the exemption speaks. The correct word is "and," which is conjunctive, and which requires that the children be orphans or one of whose natural parents is deceased, and who are enrolled in the institution and reside in residential facilities of the institution.

In section 27, Economic Effects Studies, the conference committee intends that the Secretary conduct studies of the special exemptions in section 13 of the act which have been preserved, and not those exemptions which will be repealed by the 1974 amendments.

With respect to section 14, the student employment provisions, I wish to reiterate that the term "employer" is defined in the statute and was not chosen without being mindful of legislative intent. It does not appear in the relevant student employment provisions of existing law, so the Secretary cannot be guided by past practice.

We intend by the use of the term "employer" that the Secretary look to the highest level of person acting directly or indirectly in the interest of an employer in relation to an employee; that is, the highest structure of ownership or control. We intend, for example, that a controlling conglomerate or a chain be considered the employer when the Secretary determines whether one of its subsidiaries or establishments is employing less than five—or more than four—students pursuant to special certificates. See *Phillips v. Walling*, 324 U.S. 490 and *Mitchell v. Bekins Van and Storage Company*, 352 U.S. 1027.

Mr. Speaker, I include a discussion of the differences between the Senate bill and House amendment, along with the resolutions of those differences. I also include a summary sheet of the final proposals.

The material follows:

MINIMUM WAGE INCREASE FOR NONAGRICULTURAL EMPLOYEES COVERED PRIOR TO 1966

The House bill provided \$2.00 an hour on the effective date; \$2.10 an hour beginning January 1, 1975; and \$2.30 an hour beginning January 1, 1976.

The Senate bill provided alternative wage rates and timing schedules.

The House provision prevailed in the Conference.

MINIMUM WAGE INCREASES FOR AGRICULTURAL EMPLOYEES COVERED BY EXISTING LAW

The House bill provided \$1.60 an hour on the effective date; \$1.80 an hour beginning January 1, 1975; \$2.00 an hour beginning January 1, 1976; \$2.20 an hour beginning January 1, 1977; and \$2.30 an hour beginning January 1, 1978.

The Senate bill provided alternative wage rates and timing schedules.

The House bill prevailed in Conference.

DOMESTIC SERVICE EMPLOYEES

The Senate bill defined a domestic service employee as one employed in a household who receives \$50 or more for such service in any calendar quarter.

The House bill defined a domestic service employee as one who is employed in such service for more than 8 hours in the aggregate in any workweek.

The Conference Committee combined both provisions to establish alternative tests for coverage.

MINIMUM WAGE INCREASES FOR AGRICULTURAL EMPLOYEES COVERED BY EXISTING LAW

The House bill provided \$1.60 an hour on the effective date; \$1.80 an hour beginning January 1, 1975; \$2.00 an hour beginning January 1, 1976; \$2.20 an hour beginning January 1, 1977; and \$2.30 an hour beginning January 1, 1978.

The Senate bill provided alternative wage rates and timing schedules.

The House bill prevailed in Conference.

OVERTIME EXEMPTION FOR POLICE AND FIREMEN

The House bill provided a complete overtime exemption for police and firemen.

The Senate bill provided ultimately for an average 40-hour workweek for police and firemen.

This difference was the most difficult to resolve since the Conference from both Houses insisted on their respective provisions.

I believe the final conference agreement is more in accord with the sense of the House of Representatives, than with the Senate; and applaud the House Conference for reflecting this view.

The conference substitute provides—effective January 1, 1975—for overtime compensation for tours of duty in excess of 240 hours in a work period of 28 days. This averages out to 60 hours in a 7-day period. There is no magic to either the 7-day period or the 28-day period. The Secretary is given wide latitude in implementing appropriate regulations in this unique area of employment coverage and rather than look to the traditional 7-day workweek, he may look to any work period between 7 and 28 days. This allows for maximum scheduling flexibility.

Effective January 1, 1976, the average is reduced to 232 hours in a work period of 28 days; and, effective January 1, 1977, to 216 hours in a work period of 28 days. Again, a work period of less than 28 days will be accorded proportionate treatment with respect to maximum hours.

Effective January 1, 1978, and thereafter, the maximum hours will be based on a study of 1975 data by the Secretary.

The conference substitute also provides that police or fire departments with fewer than 5 employees are totally exempt from the overtime provisions.

EMPLOYMENT OF STUDENTS

Existing law imposes a strict limitation on the maximum number of students a retail or service establishment may employ at

a subminimum wage rate. Basically, the test is based on student hours of employment vs. total hours of employment in any such establishment in the 1960-61 period.

The Senate bill retained this test.

The House amendment eliminated it.

The conference substitute is a fair compromise between both provisions. It makes student employment much more accessible to a retail or service establishment and yet, provides safeguards to assure that student employees will not displace full-time members of the labor force.

Essentially, a retail or service establishment may employ a number of students at a subminimum wage rate not to exceed (a) the proportion applicable to the establishment in the preceding year, (b) the maximum proportion to which the establishment was ever entitled, or (c) a proportion equal to 1/10 of the establishment's total workforce—whichever is the greater proportion.

Thus, an establishment which is currently or which was ever entitled to employ students under certification in excess of 10% of its workforce may retain that proportion; and one which has been limited to less than 10% may now utilize up to that proportion. Of course, the "substantial probability" test remains.

It is also significant that an "employer" will be able to employ 4 or fewer students at a subminimum wage rate without being encumbered by the traditional pre-certification procedure and also, that educational institutions will be able to employ their own students without having to follow this procedure.

RETAIL AND SERVICE ESTABLISHMENTS

The House bill reduced the ceiling on annual dollar volume of sales applicable to minimum wage and overtime exemptions for "chain" retail and service establishments under the following schedule: effective July 1, 1975, reduced from \$250,000 to \$225,000; effective July 1, 1976, reduced from \$225,000 to \$200,000; and effective July 1, 1977, the exemption would be repealed.

The Senate bill had the same phase-out figures, but provided an effective date beginning January 1 of each corresponding year.

The Conference Committee adopted the effective date of January 1, recognizing that the original House bill provided a phase-out one year earlier and that the January 1 date represented a perfect compromise among all the various provisions.

STUDY

The Senate bill directed the Secretary to conduct a continuing study, and report periodically to the Congress, one means to prevent curtailment of employment opportunities among manpower groups which have had historically high incidences of unemployment (such as disadvantaged minorities, youth, elderly, and such other groups as the Secretary may designate).

The House bill had no similar provision. But the House conferees, recognizing the concerns of many of our House colleagues about these problems, readily agreed to the Senate provision.

EFFECTIVE DATE

The Senate bill provided an effective date for the 1974 amendments of the 1st day of the first full month after the date of enactment.

The House bill provided an effective date of the 1st day of the second full month after the date of enactment.

The Conference Committee adopted an effective day of May 1, 1974, which is the House provision, assuming the legislation is signed before the end of this month.

S. 2747: SUMMARY OF THE FAIR LABOR STANDARDS AMENDMENTS OF 1974

A. INCREASE IN THE MINIMUM WAGE RATE

Category of coverage

Nonagricultural employees covered under the minimum wage provisions of the Fair Labor Standards Act prior to the effective date of the 1966 amendments (including Federal employees covered by the 1966 amendments.)

Hourly rate and effective date: \$2.00, May 1, 1974; \$2.10, January 1, 1975; \$2.30, January 1, 1976.

Category of coverage

Nonagricultural employees covered under the minimum wage provisions of the Fair Labor Standards Act by the 1966 amendments and 1974 amendments.

Hourly rate and effective date: \$1.90, May 1, 1974; \$2.00, January 1, 1975; \$2.20, January 1, 1976; \$2.30, January 1, 1977.

Category of coverage

Agricultural employees covered under the minimum wage provisions of the Fair Labor Standards Act.

Hourly rate and effective date: \$1.60, May 1, 1974; \$1.80, January 1, 1975; \$2.00, January 1, 1976; \$2.20, January 1, 1977; \$2.30, January 1, 1978.

B. EXTEND COVERAGE OF THE ACT

Minimum wage coverage will be extended to the following:

Federal employees.

State and local employees.

Domestic service employees.

Retail and service employees.

Conglomerate employees (in agriculture).

Telegraph agency employees.

Motion picture theater employees.

Logging employees.

Shade grown tobacco processing employees.

Overtime coverage will be extended to the following:

Federal employees.

State and local employees.

Domestic service employees.

Retail and service employees.

Seasonal industry and agricultural processing employees.

Telegraph agency employees.

Hotel, motel, and restaurant employees.

Food service employees.

Bowling establishment employees.

Nursing home employees.

Transit (local) employees.

Cotton ginning and sugar processing employees.

Seafood canning and processing employees.

Oil pipeline transportation employees.

Partsmen and mechanics in certain vehicle sales establishments.

BRIEF- SECTION-BY-SECTION ANALYSIS

Section 1.1. *Short Title*.—Provides that the act may be cited as the "Fair Labor Standards Amendments of 1974."

Sections 2 and 3. *Nonagricultural Employees*.—Provides a minimum wage rate for non-agricultural employees covered by the act prior to the effective date of the 1966 amendments, and Federal employees covered by the 1966 amendments, of not less than \$2 an hour beginning May 1, 1974, not less than \$2.10 an hour beginning January 1, 1975, not less than \$2.20 an hour beginning January 1, 1976, and not less than \$2.30 an hour beginning January 1, 1977.

Provides a minimum wage rate for non-agricultural employees covered by the 1966 and 1974 amendments to the act of not less than \$1.90 an hour beginning May 1, 1974, not less than \$2 an hour beginning January 1, 1975, not less than \$2.20 an hour beginning January 1, 1976, and not less than \$2.30 an hour beginning January 1, 1977.

Section 4. *Agricultural Employees*.—Provides a minimum wage rate for agricultural employees covered by the act of not less than

\$1.60 an hour beginning May 1, 1974, not less than \$1.80 an hour beginning January 1, 1975, not less than \$2 an hour beginning January 1, 1976, not less than \$2.20 an hour beginning January 1, 1977, and not less than \$2.30 an hour beginning January 1, 1978.

Section 5. *Government, Hotel, Motel, Restaurant, and Food Service Employees in Puerto Rico and the Virgin Islands*.—The minimum wage rate for hotel, motel, restaurant, food service, and Government of the United States and the Virgin Islands employees in Puerto Rico and the Virgin Islands shall be in accordance with the applicable rate in the United States.

Other Employees in Puerto Rico and the Virgin Islands.—Provides for an increase of \$0.12 an hour on wage orders presently under \$1.40 an hour, and \$0.15 an hour on wage orders \$1.40 or more an hour, effective May 1, 1974. Provides additional annual increases of identical amounts until the wage order rates are in conformance with applicable rates in the United States. In the case of an agricultural employee whose hourly wage is increased (above that required by wage order) by a subsidy paid by the Government of Puerto Rico, the increases shall be applied to the sum of (1) the wage rate and (2) the amount of the subsidy.

Provides for the establishment of special industry committees to recommend minimum wage rates for employees newly covered by the 1974 amendments (including employees of the Government of Puerto Rico and its political subdivisions). The recommended rates cannot be less than 60 per centum of the rates applicable to U.S. employees covered by the 1966 and 1974 amendments, or \$1 an hour, whichever is higher.

With respect to other employees covered under wage orders, the rates cannot be less than 60 per centum of the otherwise applicable rates in the United States, or \$1 an hour, whichever is higher. Employees of the Government of Puerto Rico and its political subdivisions are subject to this provision only in the initial establishment of wage order rates pursuant to the recommendations of special industry committees.

Provides further that, special industry committees recommend the minimum wage rate applicable in the United States except where pertinent financial information demonstrates inability to pay such rate. Also, that a court of appeals may upon review of a wage order specify the minimum wage rate to be included in the wage order.

Section 6. *Federal and State Employees*.—Amends definitions of the act to permit the extension of minimum wage and overtime coverage to Federal, State, and local public employees. Provides limited overtime coverage for employees engaged in fire protection or law enforcement activities and employees of correctional institutions. Beginning January 1, 1975, such employees must be paid overtime compensation for employment in excess of 240 hours in any 28-day work period (the equivalent of 60 hours in any workweek); beginning January 1, 1976, in excess of 232 hours in any 28-day work period (58 hours in any workweek); and, beginning January 1, 1977, in excess of 216 hours in any 28-day work period (54 hours in any workweek).

The Secretary of Labor shall conduct a study of the average tours of duty of such employees in 1975, and from that data derive an overtime compensation formula to be applied to such employees beginning January 1, 1978.

A complete overtime exemption is provided for any fire department, police department or correctional institution with fewer than 5 employees.

Section 7. *Domestic Service Workers*.—States a finding of Congress that domestic

service in households affects commerce and that the minimum wage and overtime protections of the act should apply to such employees. This section prescribes therefore, the minimum wage (not less than \$1.90 an hour beginning May 1, 1974, not less than \$2.00 an hour beginning January 1, 1975, not less than \$2.20 an hour beginning January 1, 1976, and not less than \$2.30 an hour beginning January 1, 1977) and overtime (compensation for hours worked in excess of 40 per week) rates applicable to such employees. If such employee resides in the household of the employer, minimum wage compensation only is required. The provision does not apply to a person who, on an intermittent basis, provides baby sitting services, or who provides companion services. A domestic service employee is described as one who either is engaged in domestic service employment more than 8 hours in the aggregate in any workweek, or receives from his employer for such employment wages of at least \$50 in any calendar quarter.

Section 8. Retail and Service Establishments.—Reduces and ultimately repeals the "dollar volume" test for coverage of retail and service establishments of a "chain" under the minimum wage and overtime provisions of the act. Effective January 1, 1975, the minimum wage and overtime provisions of the act will apply to such establishments with gross annual sales or services of \$225,000 or more; and effective January 1, 1976, gross annual sales or services of \$200,000. Beginning January 1, 1977, all such retail and service establishments will be subject to the minimum wage and overtime provisions of the act.

Section 9. Tobacco Employees.—Retains a limited overtime exemption for employees engaged in activities related to the sale of tobacco. Overtime compensation must be paid for employment in excess of 10 hours in any workday and 48 hours in any workweek for a period or periods not to exceed 14 workweeks in the aggregate in any calendar year. Without this section, the limited overtime exemption would be ultimately repealed by section 19.

Also repeals the present minimum wage exemption for employees engaged in the processing of shade-grown tobacco.

Section 10. Telegraph Agency Employees.—Repeals the minimum wage exemption for employees of small telegraph agencies, and reduces and ultimately repeals the overtime exemption for such employees. During the first year after the effective date of the 1974 amendments, overtime compensation must be paid to such employees for hours worked in excess of 48 per week; during the second year, for hours worked in excess of 44 per week; and thereafter, for hours worked in excess of 40 per week.

Section 11. Seafood Canning and Processing Employees.—Reduces and ultimately repeals the overtime exemption for employees engaged in the processing and canning of seafood. During the first year after the effective date of the 1974 amendments, overtime compensation must be paid to such employees for hours worked in excess of 48 per week; during the second year, for hours worked in excess of 44 per week; and thereafter, for hours worked in excess of 40 per week.

Section 12. Nursing Home Employees.—Amends the overtime exemption for nursing home employees to provide an overtime exemption for employment up to 8 hours in any workday and up to 80 hours in any 14-consecutive-day work period. This coverage is identical to that for hospital employees. The present overtime exemption for nursing home employees is for employment up to 48 hours in any workweek.

Section 13. Hotel, Motel, and Restaurant Employees and Tipped Employees.—Reduces the overtime exemption for employees (other than maids and custodial employees in hotels

and motels) employed in hotels, motels, and restaurants. During the first year after the effective date of the 1974 amendments, overtime compensation must be paid to such employees for hours worked in excess of 48 per week, and thereafter, for hours worked in excess of 46 per week.

The overtime exemption for maids and custodial employees in hotels and motels is reduced and ultimately repealed. During the first year after the effective date of the 1974 amendments, such employees must be paid overtime compensation for hours worked in excess of 48 per week; during the second year, for hours worked in excess of 46 per week; during the third year, for hours worked in excess of 44 per week; and thereafter, for hours worked in excess of 40 per week.

With respect to tipped employees, the tip credit provision of the act is not to apply unless the employer has informed each of his tipped employees of the tip credit provision and all tips received by a tipped employee have been retained by the tipped employee (either individually or through a pooling arrangement).

Section 14. Salesmen, Partsmen, and Mechanics.—Provides an overtime exemption for any salesmen primarily engaged in selling automobiles, trailers, trucks, farm implements, boats, or aircraft if employed by a nonmanufacturing establishment primarily engaged in the business of selling such vehicles to ultimate purchasers. Also provides an overtime exemption for partsmen and mechanics of automobile, truck, and farm implement dealerships.

Section 15. Food Service Establishment Employees.—Reduces and ultimately repeals the overtime exemption for employees of food service establishments. During the first year after the effective date of the 1974 amendments, overtime compensation must be paid to such employees for hours worked in excess of 48 per week; during the second year, for hours worked in excess of 44 per week; and, thereafter, for hours worked in excess of 40 per week.

Section 16. Bowling Establishment Employees.—Reduces and ultimately repeals the overtime exemption for employees employed in bowling establishments. Beginning 1 year after the effective date of the 1974 amendments, such employees must be paid overtime compensation for hours worked in excess of 44 per week, and beginning 2 years after the effective date, for hours worked in excess of 40 per week.

Section 17. Substitute Parents for Institutionalized Children.—Provides an overtime exemption for couples who serve as house-parents of children who are institutionalized by reason of being orphaned or having one deceased parent. Further provides that such employed couples must receive cash wages of not less than \$10,000 annually, and reside on the premises of the institution and receive their board and lodging without cost.

Section 18. Employees of Conglomerates.—Precludes the availability of the minimum wage exemption presently applicable for certain employees employed in agriculture to a controlling conglomerate with an annual gross volume of sales made or business done in excess of \$10 million, if the conglomerate materially supports the employing agricultural entity.

Section 19. Seasonal Industry Employees.—Existing law provides an overtime exemption for employment in seasonal industries up to 10 hours in any workday or 50 hours in any workweek for not more than 10 workweeks during the calendar year. Existing law also provides an overtime exemption for employment in agricultural processing up to 10 hours in any workday or 48 hours in any workweek for not more than 10 workweeks during the calendar year. In the case of an employer who does not qualify for the overtime exemption under both categories the exemption is extended to 14 workweeks during

the calendar year for the category under which he does qualify.

The overtime exemption for employment in seasonal industries is reduced to 48 hours in any workweek for not more than 7 workweeks beginning on the effective date of the 1974 amendments, not more than 5 workweeks beginning January 1, 1975, and not more than 3 workweeks beginning January 1, 1976. The overtime exemption for employment in agricultural processing is reduced to not more than 7 workweeks beginning on the effective date of the 1974 amendments, not more than 5 workweeks beginning January 1, 1975, and not more than 3 workweeks beginning January 1, 1976. In the case of an employer who does not qualify for the overtime exemption under both categories, the exemption is reduced from 14 workweeks during the calendar year to 10 workweeks during 1974, to 7 workweeks during 1975, and to 5 workweeks during 1976. Effective December 31, 1976, the overtime exemptions are repealed.

Section 20. Cotton Ginning and Sugar Processing Employees.—Repeals the current overtime exemption and provides a limited overtime exemption for certain employees engaged in cotton ginning and sugar processing as follows:

Annual workweeks	1974	1975	1976 and thereafter
6 weeks	72	66	60
4 weeks	64	60	56
2 weeks	54	50	48
2 weeks	48	46	44
Balance of year	48	44	40

Section 21. Transit Employees.—Reduces and ultimately repeals the overtime exemption for any driver, operator, or conductor employed by an employer engaged in the business of operating a street, suburban or interurban electric railway, or local trolley or motor bus carrier. During the first year after the effective date of the 1974 amendments, overtime compensation must be paid to such employees for hours worked in excess of 48 per week; during the second year, for hours worked in excess of 44 per week; and thereafter, for hours worked in excess of 40 per week. In determining the hours of employment of such an employee, hours employed in charter activities shall not be included if (1) the employee's employment in such activities was pursuant to an agreement or understanding with his employer arrived at before engaging in such employment, and (2) if employment in such activities is not part of such employee's regular employment.

Section 22. Cotton and Sugar Services Employees.—Retains a limited overtime exemption for certain employees engaged in cotton ginning and sugar processing activities. Overtime compensation must be paid for employment in excess of 10 hours in any workday and 48 hours in any workweek for a period or periods not to exceed 14 workweeks in the aggregate in any calendar year. Without this section, the limited overtime exemption would be ultimately repealed by section 19.

Section 23. Motion Picture Theaters, Logging Crews, and Oil Pipeline Transportation Employees.—Repeals the minimum wage exemption for employees of motion picture theaters, and logging employees, but retains the overtime exemption for such employees. Also repeals the overtime exemption for employees of oil pipeline transportation companies.

Section 24. Employment of Students.—Provides for the employment of full-time students (regardless of age but in compliance with applicable child labor laws) at wage rates less than those prescribed by the act in retail and service establishments, agriculture,

and institutions of higher education at which such students are enrolled. Students may be employed at a wage rate of not less than 85 per centum of the applicable minimum wage rate or \$1.60 an hour (\$1.30 an hour in agriculture), whichever is the higher, pursuant to special certificates issued by the Secretary. Such special certificates shall provide that such students shall, except during vacation periods, be employed on a part-time basis (not to exceed 20 hours in any workweek). In the case of an employer who intends to employ five or more students under this section, the Secretary may not issue a special certificate unless he finds the employment of any such student "will not create a substantial probability of reducing the full-time employment opportunities" of other workers. In the case of a retail or service establishment, the number of students employed under such certificates may not generally exceed (a) the proportion applicable to the establishment in the preceding year, (b) the maximum proportion to which the establishment was ever entitled, or (c) a proportion equal to $\frac{1}{10}$ of the establishment's total workforce, whichever is the greater.

In the case of an employer who intends to employ less than five students under this section, the Secretary may issue a special certificate if the employer certifies to the Secretary that he is not thereby reducing the full-time employment opportunities of other workers. The certification requirements are not applicable to the employment of full-time students by the educational institutions at which they are enrolled. Sections 15 (Prohibited Acts) and 16 (Penalties) of the act would be applicable to an employer who violated the requirements of this section. A summary of the special certificates issued under this provision is required to be included in the Secretary's annual report on the act.

Section 24 also provides that the Secretary may waive the minimum wage and overtime provisions of the act with respect to a student employed by his elementary or secondary school, where such employment constitutes an integral part of the regular education program provided by the school and is in accordance with applicable child labor laws.

Section 25. *Child Labor.*—The employment of children under age 12 in agriculture is prohibited unless they are employed on a farm owned or operated by their parents or guardians, or on a farm exempt from the minimum wage provisions of the act. Children 12 or 13 years of age may work in agriculture only with the written consent of their parents or guardians or if their parents or guardians are employed on the same farm. For persons 14 years of age or older, prior consent is not required for employment in agriculture.

Any person who violates the child labor provisions of the act or applicable regulations, is subject to civil penalties. The Secretary is permitted to require employers to obtain employee's proof of age.

Section 26. *Suits by the Secretary.*—Authorizes the Secretary to sue for back wages (which he can do now) but also to sue for an equal amount of liquidated damages without requiring a written request from the employee. The Secretary could also sue even though the suit might involve issues of law that have not been finally settled by the courts. In the event the Secretary brings such an action, the right of an employee provided by section 16(b) of the act to bring an action on behalf of himself, or to become party to such an action would terminate, unless such action is dismissed without prejudice, on motion by the Secretary.

Section 27. *Economic Effects Studies.*—In addition to and in furtherance of the requirements of section 4(d) of the act, the Secretary is required to conduct studies on the justification or lack thereof for each of

the exemptions provided by sections 13(a) and 13(b) of the act. Such studies shall include an examination of the extent to which employees of conglomerates receive the sections 13 (a) and (b) exemptions and the economic effect of their inclusion in such exemptions. The report on the study would be due not later than January 1, 1976.

The Secretary is also directed to conduct a continuing study on means to prevent curtailment of employment opportunities for manpower groups which have had historically high incidences of unemployment (such as disadvantaged minorities, youth, elderly, and such other groups as the Secretary may designate).

Section 28. *Nondiscrimination on Account of Age in Government Employment.*—Extends the provisions of the Age Discrimination in Employment Act to an employer with 20 or more employees. Also extends the provisions of the act to State and local governments and their related agencies.

States a policy of nondiscrimination on account of age in the Federal government, and authorizes the U.S. Civil Service Commission to enforce that policy.

Section 29. *Effective Date.*—Provides that the effective date of the 1974 amendments shall be May 1, 1974.

Mr. QUIE. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Speaker, I rise in support of the conference report of the Fair Labor Standards Amendments of 1974.

It is a constructive, compromise bill which I urge the President to sign as soon as possible following what I am sure will be a successful vote here today.

As a conferee, a member of the Education and Labor Committee and a representative of constituents who have, for the most part, wholeheartedly urged the passage of this vital legislation, I now recommend its forthwith passage by the Members of this body.

These are measures which are long overdue for the low-income working people of my district in western New York and throughout our Nation.

Far too many of our citizens, through no fault of their own, are in a daily struggle with severe hardships as the result of repeated, upward surges in the cost of living.

I will continue to fight for more restraint in the spending of the people's tax dollars because of my unwavering conviction that a lack of fiscal and monetary restraint is the chief cause of rising inflation.

But while we proceed toward more fiscal responsibility, we cannot ignore those working men and women who suffer most from the effects of inflation.

I believe each of us in the Congress and all Americans owe a debt of gratitude to the distinguished chairman of the committee and House conferees, Mr. PERKINS; our ranking minority chairman, Mr. QUIE, and Mr. DENT, the chairman of the General Labor Subcommittee, with whom I had the privilege of cosponsoring the higher minimum wage, still intact in the conference report before us.

The skill and expeditious work of these gentlemen and my fellow conferees in both the House and Senate are, in my judgment, a tribute to the responsiveness of the Congress to an urgent need of the people this legislation will assist.

Mr. QUIE. Mr. Speaker, I yield 1 min-

ute to the gentleman from Indiana (Mr. DENNIS).

Mr. DENNIS. I thank the gentleman for yielding.

I am not suggesting to the House that they necessarily ought to vote with the National League of Cities or that I am necessarily going to do, either, but I would like to point out to the gentleman from Pennsylvania (Mr. DENT) that maybe he has later advices than I have, but I have a letter in my hand from the National League of Cities dated March 27, 1974, and signed Allen E. Pritchard, Jr., executive vice president, which at least states that they are against this conference report and ask to vote against it. They say it is coming up today here.

Mr. DENT. I thank the gentleman for that information.

I might say that figures do not lie, but liars figure. That is not the story they told me.

I tried to get a compromise that would accomplish what they desired. As the gentleman from Minnesota has so plainly stated, the firemen are not happy because they did not think they got anything out of this, and if the cities are unhappy, too, then this must be the best compromise you can possibly achieve.

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

Mr. PERKINS. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. BURTON).

Mr. BURTON. Mr. Speaker, I shall not consume all of my time. When you have the votes you do not need oratory.

I would like the RECORD to reflect with reference to the protective services the most vigorous, effective and determined role of leadership played by our distinguished colleague from New York, MARIO BIAGGI, who I must say was very effective on the House side of this conference and was more responsible, probably, than all of the rest of our conferees for the improvements we have made in the way of life of firemen and policemen, as a result of this bill.

I yield to him at this point.

Mr. BIAGGI. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this conference report. It is long overdue as a nationwide resolution of some very serious problems. The universality of it has been accepted as a basic principle. To exempt policemen and firemen is paradoxical and an absolutely untenable position. We find ourselves lauding their contribution on the one hand and on the other hand trying to exempt them from very basic benefits they are entitled to.

Mr. Speaker, I am proud to be a part of this legislative process and strongly urge that this conference report be voted affirmatively.

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

Mr. BURTON. I yield to the gentleman.

Mr. QUIE. Mr. Speaker, one thing I know our colleagues have wondered about is whether the House conferees stood by the House position. We have had minimum wage legislation before us many times previously, and I want to say to my colleagues the gentleman from California (Mr. BURTON) never wavered

once in standing by the House position. He never threw out a hint that we should go away from it. I only want to give my congratulations to him for the stalwart way in which he handled himself.

Mr. BURTON. I thank the gentleman.

Mr. QUIE. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. SEBELIUS).

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

May I propose a question to the gentleman or to the subcommittee chairman on the subject of small towns. I have hundreds of them in my district where they have one or two employees and one of them may also be the town marshal who works 8 hours a day. It looks like he is exempt that way, but he is also the water commissioner and is on call if a watermeter breaks. What is the situation of that employee in those small towns?

Mr. QUIE. Mr. Speaker, I would say that as the town constable, he is exempted, but I would imagine that all the work he does, as reading watermeters, would not be. In other words, he is not exempted from the overtime provision in his nonpublic safety duties.

Mr. SEBELIUS. Oh.

Mr. QUIE. I would assume that he would be exempted in his hours he spends in his work as a constable, but he would not be exempted in the hours he spends reading watermeters.

Mr. SEBELIUS. The problem is that he is always on call because we might have a water main break.

Mr. QUIE. On the question of the duty hours, that is going to be determined by the Secretary of Labor, as I indicated before—the definition of duty hours as it relates to sleep and eating time.

Mr. KAZEN. Mr. Speaker, will the gentleman yield for a question?

Mr. SEBELIUS. I yield to the gentleman from Texas for a question.

Mr. KAZEN. Mr. Speaker, I would like to find out about this May 1 starting date under this bill, because the cities have already gotten their budgets made out, and they are right in the middle of their year. I am just wondering what effect raising the minimum wage on the first of the month here, just a month from now, is going to have on the budgets of a lot of these towns and cities.

Mr. SEBELIUS. I would say to the gentleman from Texas that when I was mayor of the community I mentioned before, we had to virtually rob Peter to pay Paul in order to pay for our employees.

Mr. QUIE. Mr. Speaker, if the gentleman will yield, if the gentleman is referring to the police and firemen overtime provisions here, the effective date is January 1, 1975.

Mr. KAZEN. That may be so, but what about the other employees who are involved?

The SPEAKER. The time of the gentleman has expired.

Mr. QUIE. I yield 1 additional minute to the gentleman from Kansas.

Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, in reply to the inquiry of the gentleman from Texas,

may I say that the other employees are covered on the first day of the second full month after the passage of this act. So when we talk about May 1, if the President signs this bill this week, as I hope the President will, then it will go into effect the 1st of May.

Mr. KAZEN. If the gentleman will yield further, the police and firemen may not be covered on that day, but the other municipal employees will be covered on May 1, as far as this salary raise.

Mr. QUIE. That is right.

Mr. KAZEN. And this will occur when the towns and cities are right in the middle of their budgetary year, and without them having made any provision for this.

Mr. QUIE. Mr. Speaker, if the gentleman will yield still further, I would say to the gentleman from Texas that if any employee is getting less than \$2 an hour, that I would not feel as sorry for the taxpayers in that case as I would for those employees.

Mr. KAZEN. The trouble is that this is a real problem with many small towns and communities. The gentleman from Minnesota may not have a lot of small towns and communities such as I have.

Mr. QUIE. Yes, I do. I hope those employees are already receiving at least \$2 per hour.

Mr. SEBELIUS. Mr. Speaker, I am not so concerned as to the minimum wage. In fact, I voted for this bill when we sent it over to the Senate, but I must say that in view of the overtime provisions I will have to vote against it now because of the extreme burden this places on so many of these small towns and communities.

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

Mr. BIAGGI. Mr. Speaker, I rise to urge my colleagues to support the minimum wage conference report. It is a good report on a good bill and the time has come to put ourselves on record for the workingman in this country, who clearly deserves the benefits this bill will give him.

I want to speak particularly to the excellent conference provision concerning public safety personnel—policemen, firemen, and correctional officers. This is a section I worked hard for as a member of the conference committee and as a cosponsor of this legislation.

I believed it essential from the start of our consideration of the minimum wage bill in the general Subcommittee on Labor, of which I am a member, to give equal treatment to all public employees. I was very gratified to see the committee and then the full House include public employees under the minimum wage bill. By doing so, we have rectified a great injustice.

However, I was disturbed that public safety personnel were not granted full coverage under the overtime provisions. I think they are fully entitled to it. These employees—particularly the police, whose experience I am intimately familiar with as a former policeman with 23 years of experience—are some of our most vital public servants. They and firemen and correction officers are the only public servants who lay their lives on the line for the people they protect making the ultimate sacrifice.

I believe that to leave them out of overtime coverage altogether is grievously wrong. I had planned to introduce an amendment in committee to correct this injustice, but concluded it would speed passage of the minimum wage bill to work for acceptance of the Senate amendment in conference.

I recognized there exists a real problem for financially hard-pressed cities in being required to pay the extra moneys which overtime coverage would involve. Speaking as a representative of one of the most fiscally overburdened cities in the country, New York City, I understand their problem. Consequently, I worked for a formula which would make the transition to somewhat higher costs for cities gradual and acceptable and one which would not throw them into fiscal chaos.

Consequently, police, fire, and correctional officers will receive overtime beginning on January 1, 1975, for only those hours worked above an average of 60 per week in a 4-week (28-day) period. In January 1976 the number of hours before overtime becomes effective will drop to 58, and in January 1977 to 54. In recognition that we are headed down the road to a full commitment to overtime pay, the Secretary of Labor is authorized to study the 1975 data in 1976 to devise a formula for 1978 and beyond. And, finally, those departments with five or fewer employees are exempted in recognition of their special circumstances. I think this is a responsible compromise between the threat of fiscal hardship for the cities and the undeniable rights of public safety employees.

If, in the long run, cities are put in difficult circumstances by this provision, then I think the answer is not to deny the rights of public safety employees but to seek aid in the Congress for the extra costs. Indeed, I think the Congress has not been generous enough with our cities on a whole range of needs, and that sooner or later we must face up to doing something about it. We certainly cannot pretend that the way to solve this problem is to not recognize the legitimate rights of policemen, firemen, and correctional officers.

I am satisfied our commitment to equal treatment is clear and that the burden for the cities has been taken into account. I think the formula is a good one. I urge the House to adopt the conference report without delay.

Mr. FRENZEL. Mr. Speaker, with great reluctance, I am supporting the minimum wage conference report now pending before the House. I am extremely disappointed that the House conferees were unable to maintain the exclusion of fire and police employees from the conference report, but I know the difficulties that they encountered.

A complete exclusion may have been impossible. But I think the conferees did about the next best thing in attempting to limit the devastating effect of overtime payments on municipal governments.

In the debates on the similar minimum wage bill last year, I pointed out that communities in my district would become liable for millions of dollars of overtime

or extra labor costs as a result of including fire and police under the overtime provisions of the Fair Labor Standards Act. I further pointed out that the municipalities within my district were subjected to a tax levy limitation by the State of Minnesota. The added liability, combined with the levy limitation, means that the municipalities' only alternatives are fewer firemen and less fire protection, or a reduction in some other vital municipal service.

I will vote for the conference report today in the hope that the added financial liabilities can be avoided because of the language developed in the conference committee. I am also relying very strongly on the language contained in the various committee reports that sleep time, meal time, and relaxation time will not be counted as active duty hours for the purposes of the overtime provision of the conference report. And I hope that the Secretary of Labor will issue regulations that will minimize the damage to these municipal budgets.

Mr. Speaker, my only objection to the previous minimum wage bill in this House was the unfair burden which these overtime provisions placed on municipalities within my district. I have no objection to other features of the bill, and do support it. I only hope that the fire and police overtime is not interpreted at some later date in a way that will force municipalities to reduce their fire protection service.

Mr. DORN. Mr. Speaker, I fully support the bill now before us to increase the minimum wage. It is a question of justice, Mr. Speaker. The cost of living for the American family has increased at a fantastic rate. Housewives are shocked by the almost daily increase in the basic commodities.

Surely it is time for the Congress to approve an increase in the minimum wage. Fairness and equity demand it. It is the right thing to do, and now is the time. The cost of gasoline, heating oil, food, clothing and the other essentials bear little resemblance to last year's prices, and the end is not in sight. This Nation can wait no longer in approving a long overdue adjustment in the minimum wage. Mr. Speaker, I urge overwhelming approval of the Fair Labor Standards Amendments of 1974.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I rise in support of the Fair Labor Standards Amendments of 1974. Every time this issue comes up we hear the same old rhetoric dredged up from the very first debate on minimum wage. Increasing the minimum wage, opponents say, will only drive more and more men and women out of work. Yet all the statistics, all the data show that the Fair Labor Standards Act is one of the most economically successful legislative acts in America's history.

By setting a floor below which workers may not be paid, the law keeps wages flowing into the economy. Moreover, the argument that the wage increases are passed off to consumers simply is not true if the original history of the act has any validity. The Fair Labor Standards Act was passed at a time when a few major companies were commanding huge prof-

its while their employees were taking home starvation wages.

The minimum wage law was and continues to be a means of assuring a fair distribution of the common effort by labor and management to produce and provide the wealth of America. All wealth is the product of the workingman, whether he works in the factory, in an office, a board room, at a drafting table, a drill press, a desk, or on the road, whether he wears a blue collar, a white collar, or no collar at all.

It is the work of a hundred million Americans that has created our wealth, not the capital of a relatively few financiers and industrialists.

Mr. Speaker, the workers of America deserve a fair shake. The Fair Labor Standards Amendments of 1974 reaffirm Congress resolve that it will guarantee as fair a distribution of America's wealth as is possible.

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

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. BURTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 345, nays 50, answered "present" 1, not voting 36, as follows:

[Roll No. 122]
YEAS—345

Abzug	Cleveland	Gaydos
Adams	Cochran	Gaimo
Addabbo	Cohen	Gibbons
Anderson, Calif.	Collier	Ginn
Anderson, Ill.	Collins, Ill.	Gonzalez
Andrews, N.C.	Conable	Grasso
Andrews, N. Dak.	Corman	Green, Oreg.
Annunzio	Cotter	Green, Pa.
Arends	Coughlin	Griffiths
Aspin	Cronin	Grover
Badillo	Culver	Gubser
Bafalis	Daniels, Dominick V.	Gude
Barrett	Danielson	Gunter
Bell	Davis, Ga.	Guyer
Bennett	Davis, S.C.	Haley
Bergland	Davis, Wis.	Hamilton
Biaggi	de la Garza	Hammer-
Blester	Delaney	schmidt
Bingham	Dellenback	Hanley
Boggs	Dellums	Hansen, Idaho
Boland	Denholm	Harrington
Bowen	Dennis	Harsha
Brademas	Dent	Hastings
Brasco	Derwinski	Hawkins
Bray	Dickinson	Hays
Breaux	Dingell	Hechler, W. Va.
Breckinridge	Donohue	Heinz
Brinkley	Dorn	Helstoski
Brooks	Drinan	Henderson
Broomfield	Dulski	Hicks
Brotzman	Duncan	Hillis
Brown, Calif.	du Pont	Hogan
Brown, Mich.	Eckhardt	Holfeld
Brown, Ohio	Edwards, Ala.	Holtzman
Broyhill, N.C.	Edwards, Calif.	Horton
Buchanan	Esch	Howard
Burke, Calif.	Eshleman	Hudnut
Burke, Fla.	Evans, Colo.	Hungate
Burke, Mass.	Evins, Tenn.	Hunt
Burlison, Mo.	Fascell	Ichord
Burton	Findley	Jarman
Carney, Ohio	Flood	Johnson, Calif.
Carter	Flowers	Johnson, Colo.
Casey, Tex.	Foley	Johnson, Pa.
Cederberg	Ford	Jones, Ala.
Chamberlain	Forsythe	Jones, N.C.
Chappell	Fountain	Jones, Okla.
Chisholm	Fraser	Jones, Tenn.
Clancy	Frelinghuysen	Jordan
Clark	Frey	Karth
Clausen, Don H.	Froehlich	Kastenmeier
Clay	Fulton	Kazen
	Fuqua	Kemp

King	Obey	Stanton,
Koch	O'Brien	James V.
Kyros	O'Hara	Stark
Landrum	O'Neill	Steed
Latta	Parris	Steele
Leggett	Passman	Steelman
Lehman	Patten	Steiger, Wis.
Lent	Pepper	Stokes
Litton	Perkins	Stratton
Long, La.	Pettis	Stubblefield
Lott	Peyser	Stuckey
Lujan	Pickle	Studds
Luken	Pike	Symington
McCloskey	Podel	Talcott
McCollister	Preyer	Taylor, Mo.
McCormack	Price, Ill.	Taylor, N.C.
McDade	Pritchard	Teague
McEwen	Quie	Thompson, N.J.
McFall	Quillen	Thomson, Wis.
McKay	Railsback	Thone
McKinney	Randall	Thornton
McSpadden	Rangel	Tiernan
Macdonald	Rees	Towell, Nev.
Madden	Regula	Udall
Madigan	Reuss	Ullman
Mahon	Rhodes	Van Deerlin
Mallery	Rinaldo	Vander Veen
Mann	Roberts	Vanik
Maraziti	Robison, N.Y.	Veysey
Martin, Nebr.	Rodino	Vigorito
Martin, N.C.	Roe	Waggoner
Mathias, Calif.	Rogers	Walde
Mathis, Ga.	Roncalio, Wyo.	Walsh
Matsunaga	Roncalio, N.Y.	Wampler
Mayne	Rooney, Pa.	Ware
Mazzoli	Rose	Whalen
Meeds	Rostenkowski	White
Melcher	Roush	Whitehurst
Metcalfe	Roy	Whitten
Mezvinsky	Royal	Widnall
Michel	Runnels	Wilson, Bob
Milford	Ruppe	Wilson,
Miller	Ruth	Charles H., Calif.
Minish	St Germain	Wilson,
Mink	Sandman	Charles, Tex.
Minshall, Ohio	Sarasin	Winn
Mitchell, N.Y.	Sarbanes	Wolff
Mizell	Scherle	Wydler
Moakley	Schneebell	Wylie
Moilahan	Schroeder	Wyman
Montgomery	Seiberling	Yates
Moorhead, Pa.	Shipley	Yatron
Morgan	Shuster	Young, Alaska
Mosher	Sikes	Young, Fla.
Moss	Sisk	Young, Ga.
Murphy, Ill.	Skubitz	Young, Ill.
Murphy, N.Y.	Slack	Young, S.C.
Murtha	Smith, Iowa	Young, Tex.
Myers	Smith, N.Y.	Zablocki
Natcher	Nedzi	Zion
Nelsen	Snyder	Zwach
Nichols	Staggers	
Nix	Stanton, J. William	

NAYS—50

Abdnor	Daniel, Robert W., Jr.	McClory
Archer	Devine	Moorhead, Calif.
Armstrong	Downing	Poage
Ashbrook	Baker	Powell, Ohio
Baker	Fisher	Price, Tex.
Bauman	Flynt	Rarick
Beard	Gettys	Robinson, Va.
Broyhill, Va.	Goldwater	Rousselot
Burgener	Goodling	Satterfield
Burleson, Tex.	Gross	Sebelius
Butler	Hinshaw	Spence
Byron	Holt	Steiger, Ariz.
Camp	Hosmer	Symms
Clawson, Del.	Huber	Treen
Collins, Tex.	Hutchinson	Wiggins
Conlan	Ketchum	
Crane	Lagomarsino	
Daniel, Dan	Landgrebe	

ANSWERED "PRESENT"—1

Ryan

NOT VOTING—36

Alexander	Frenzel	Patman
Ashley	Gilman	Reid
Bevill	Hanna	Riegle
Blackburn	Hanrahan	Rooney, N.Y.
Blatnik	Hébert	Rosenthal
Bolling	Heckler, Mass.	Shriver
Carey, N.Y.	Kluczynski	Stephens
Conyers	Kuykendall	Sullivan
Diggs	Long, Md.	Vander Jagt
Ellberg	Mills	Williams
Erlenborn	Mitchell, Md.	Wright
Fish	Owens	Wyatt

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Hébert.
Mr. Mitchell of Maryland with Mr. Patman.
Mr. Carey of New York with Mr. Blackburn.
Mr. Diggs with Mr. Blatnik.
Mr. Kluczynski with Mr. Hanrahan.
Mr. Bevill with Mr. Vander Jagt.
Mr. Alexander with Mr. Frenzel.
Mr. Reid with Mr. Kuykendall.
Mr. Riegle with Mr. Williams.
Mrs. Sullivan with Mr. Shriver.
Mr. Conyers with Mr. Hanna.
Mr. Rosenthal with Mr. Owens.
Mr. Stephens with Mr. Ashley.
Mr. Eilberg with Mr. Fish.
Mr. Mills with Mr. Erlenborn.
Mr. Wright with Mr. Wyatt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DENT. 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 conference report just agreed to.

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

There was no objection.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that immediately following the House vote on rollcall 122 on the bill S. 2747, the Fair Labor Standards Amendments of 1974 conference report, the RECORD show that at the time of that vote I was attending a meeting of the national leaders of veterans' organizations concerning veterans' affairs of importance to our Nation, causing me to be inadvertently delayed for that vote. Had I been present I would have voted "aye" in support of this measure.

The SPEAKER pro tempore. Without objection, the gentleman's statement will appear in the RECORD.

There was no objection.

PERSONAL EXPLANATION

Mr. FISH. Mr. Speaker, I ask unanimous consent that immediately following rollcall 122, the House vote today on S. 2747 on the Fair Labor Standards Amendments of 1974, the RECORD show that during the vote I was attending a meeting of the national leaders of veterans' organizations concerning matters of importance to our national interest, causing me to be inadvertently delayed for that vote. Had I been present I would have voted "aye."

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

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 7724, AMENDING PUBLIC HEALTH SERVICE ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the

Speaker's table the bill (H.R. 7724) to amend the Public Health Service Act to establish a national program of biomedical research fellowship, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

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

Mr. RONCALLO of New York. Mr. Speaker, reserving the right to object, may I ask the chairman what changes there are on the House bill made by the amendment?

Mr. STAGGERS. Mr. Speaker, if the gentleman will yield, the House bill is exactly the same as it was.

Mr. RONCALLO of New York. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. STAGGERS, ROGERS, SATTERFIELD, DEVINE, and NELSEN.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE REPORT ON H.R. 12993

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on H.R. 12993, broadcast license renewal.

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

There was no objection.

APPOINTMENT AS MEMBERS TO AMERICAN REVOLUTION BICENTENNIAL BOARD

The SPEAKER. Pursuant to the provisions of section 10(a), Public Law 93-179, the Chair appoints as members of the American Revolution Bicentennial Board the following Members on the part of the House: Mrs. BOGGS, of Louisiana, and Mr. BUTLER, of Virginia.

FOREIGN DISASTER ASSISTANCE ACT OF 1974

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 992 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 992

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. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa. 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. It shall be in order to consider the amendment recommended by the Committee on Foreign Affairs now printed on page 2, line 24 through page 3, line 17 of the bill, notwithstanding the provisions of clause 7, rule XVI. 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 Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 992 provides for an open rule with 1 hour of general debate on H.R. 12412, a bill to amend the Foreign Assistance Act of 1961.

House Resolution 992 also provides that it shall be in order to consider the amendment recommended by the Committee on Foreign Affairs now printed on page 2, line 24 through page 3, line 17 of the bill, notwithstanding the provisions of clause 7, rule XVI of the Rules of the House of Representatives (the germane provision).

The purpose of H.R. 12412 is to authorize \$115 million for famine and disaster assistance to the Sahel region of Africa, and for disaster relief and emergency recovery needs in Nicaragua and Pakistan. An appropriation for these three regions was included in the 1974 foreign assistance appropriations bill (H.R. 11771) which passed Congress in December 1973.

H.R. 12412 also amends the Foreign Assistance Act of 1961 by requiring advance notification to the Congress of any proposed modifications of debts owed to the United States.

Mr. Speaker, I urge the adoption of House Resolution 992 in order that we may discuss and debate H.R. 12412.

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

Mr. Speaker, I think the most important part of this bill is the nongermane amendment that the Committee on Foreign Affairs inserted. I have reference to section 4, beginning on page 2, of the bill. I think it is so important, Mr. Speaker, that I will read it in toto.

The section reads as follows:

The Secretary of State shall keep the appropriate committees of Congress fully and currently informed of the ongoing status of any negotiations with any foreign government regarding the cancellation, renegotiation, rescheduling, or settlement of any debt owed to the United States by any such foreign government under the Foreign Assistance Act of 1961. The Secretary of State shall transmit to the Speaker of the House of Representatives, and to the chairman of the appropriate Senate committee, the text of any international agreement proposing a modification in the terms of such debt no less than thirty days prior to its entry into force, together with a detailed explanation of the

interest of the United States in such modification.

(b) No debt authorized under the Foreign Assistance Act of 1961 owed to the United States by any foreign government may be canceled, renegotiated, rescheduled, or settled in any manner inconsistent with the legislative authorization applicable to the original debt as modified by any subsequent amendment, except as provided in this section.

Mr. Speaker, I think this provision is long overdue, and I wish to commend the Committee on Foreign Affairs for bringing it to our attention.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I have no requests for time, and 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. MORGAN. 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. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MORGAN).

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. 12412), with Mr. MAZZOLI 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 Pennsylvania (Mr. MORGAN) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. FRELINGHUYSEN) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Pennsylvania (Mr. MORGAN).

Mr. MORGAN. Mr. Chairman, it is not every day that the House has an opportunity to reduce an appropriation it has already voted by nearly one-quarter.

That is what H.R. 12412—to authorize disaster relief and emergency recovery assistance—will do.

And of course this legislation will help millions of needy people. It falls within the great tradition of humanitarian measures which the House has supported in the past when natural disasters have struck at home and abroad.

In this case, we are dealing with three areas of the world which have suffered true disasters—drought in the Sahel of Africa, the earthquake which devastated the capital of Nicaragua, and the floods in Pakistan.

First of all, let me point out that what we are authorizing here does not involve any new appropriations.

The House already has voted the money. What this bill does is to allow the appropriation to go forward.

Furthermore, this bill cuts the appropriation by nearly one-quarter—from \$150 million to \$115 million—a reduction of \$35 million.

A second feature of H.R. 12412 is that it tightens congressional oversight over any softening of the terms on foreign debts owed to the United States through loans authorized under the Foreign Assistance Act of 1961. It does so by requiring 30 days advance notification to the Congress.

I will relate briefly the background on this bill and then describe its provisions.

As Members may recall, the Congress last December passed the fiscal 1974 foreign assistance appropriations bill (H.R. 11771). H.R. 11771 included \$150 million for disaster assistance for the Sahel, Pakistan, and Nicaragua.

The disaster assistance appropriation was passed with a requirement saying the funds "shall be available only upon enactment into law of authorizing legislation." Therefore it is necessary to have the authorizing legislation which is before us today.

The Foreign Affairs Committee heard witnesses in connection with this authorizing legislation and conducted a careful inquiry. There is absolutely no doubt that true tragedies have been inflicted by nature on these poor lands. Millions of people suffered and property damage was huge.

I am glad to report that the initial American response to all three disasters seems to have been prompt and effective. We are now in the emergency followup stage.

The committee found that in all three areas the countries themselves are laboring hard to overcome the impact of the catastrophes.

Also, in all three places there have been substantial donations by others in the international community, totaling much more than the contributions by the United States.

In the Sahel of Africa, according to figures supplied to the committee, total international disaster and recovery assistance so far has amounted to some \$361 million of which \$232 million is from other foreign contributors and \$129 million is from the United States.

In Nicaragua, total postdisaster aid from the international community has been some \$90 million to date of which \$54 million is from non-U.S. donors.

In Pakistan, the contributions from the international community so far exceed \$108 million, of which nearly 60 percent is from donors other than the United States.

Concerning the provisions of this bill, the situation is that the executive requested \$50 million for Sahel, \$85 million for Pakistan, and \$15 million for Nicaragua. The appropriation passed by Congress contains these full amounts.

The Foreign Affairs Committee, in H.R. 12412, as amended, has approved the \$50 million for Sahel and the \$15 million for Nicaragua.

However, the committee determined that \$35 million could be cut from the \$85 million appropriated for Pakistan without impairing the disaster relief and

recovery efforts or the good U.S. relations with Pakistan. A more detailed statement on the reduction is in the committee report.

So in sum, H.R. 12412 as amended authorizes \$115 million, a \$35 million reduction from the appropriation.

The committee amendment also deletes language proposed by the executive which would have exempted the disaster assistance from the restrictions and prohibitions of the Foreign Assistance Act and any other law.

The final feature of the committee amendment, which is section 4 of H.R. 12412 as reported, is not related to disaster assistance. However, I believe it will find strong support from Members who wish to strengthen congressional oversight over debts which foreign countries owe us. It was adopted following committee discussion of the way in which the executive branch disposed of the Indian rupee debt owed to the United States.

The language of the amendment is self-apparent. It requires the President to give Congress 30-day advance notice on any proposed agreement which would waive or reduce any debt owed to the United States under the Foreign Assistance Act.

To conclude, Mr. Chairman, I strongly and urgently urge passage of this disaster relief and emergency recovery assistance bill.

The need is great.

Its passage will be in our long and outstanding humanitarian tradition.

And it will not require a penny of new appropriations. Rather, it will cut a substantial amount off appropriations already voted.

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

Mr. Chairman, I rise in strong support of this disaster relief bill. I know of no substantial opposition to it. There was an individual opponent within the committee.

This bill recognizes major disasters in three different geographic areas—\$15 million is to be authorized to help cope with the consequences of the earthquake in Nicaragua in December 1972—\$50 million is to help cope with the disastrous drought, which unfortunately still continues, in the Sahel area of Africa; \$50 million is to be used in Pakistan.

It so happens that when the bill was approved by the committee last month I was in Pakistan. While there I had an opportunity for some first-hand discussions about the nature of that disaster, and the response to it, both by the Pakistanis, by international agencies, and by individual countries.

My only regret about this bill, Mr. Chairman, is that it does cut an amount of \$35 million from the \$150 million that was appropriated last January. It seems to me that this maneuver is simply dividing the need into two segments. We say, in effect, that some of this can be described as disaster relief, and some should be considered as economic assistance. If that is true, I would suppose that we should be cutting the amount which is to be made available for the

African countries which are suffering from drought.

The committee report, on page 6, points out that \$35 million to be made available for Africa is for what is called medium-term recovery programs, mainly for food and feed grain production, and livestock herd improvement.

The same kind of development assistance is needed in Pakistan as a direct consequence of the disastrous floods which that country suffered.

There really is no question but that the need is there. We are simply saying those programs that had been designed for Pakistan were reprogrammed as a result of the floods in Pakistan, and reprogrammed to South Vietnam. The committee also said that we should now take the so-called medium-term needs of Pakistan under the economic aid umbrella. Of course, we can do that, and I hope we will recognize the needs are very real. But it does not seem to me that we should be congratulating ourselves too much in cutting funds which obviously could be put to use in a country where the needs are very real.

One obvious result of the cuts is that only limited funds will be available to finance imports of raw materials, spare parts, machinery, and other goods needed to help repair Pakistan's ravaged economy.

So, as I say, Mr. Chairman, I fully support this authorization. It is an unusual situation that we are asking for an authorization when the appropriation has been made months ago. But I hope that we will support the bill overwhelmingly.

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

Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 12412, a bill to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa.

Although the House has already appropriated \$150 million for disaster aid to these three areas, I believe that the action of the Committee on Foreign Affairs to reduce the amount and authorize an appropriation of only \$115 million is warranted, does not affect essential disaster relief efforts and serves well our tradition of trying to respond as best we can to human tragedies and natural calamities wherever they may occur.

The bill before us intends that \$50 million will be available for Pakistan, \$15 million for Nicaragua, and \$50 million for the countries of Sahel Africa. The difference between the amount appropriated and the amount for which an authorization is now requested is absorbed entirely in the proposed Pakistan program.

Mr. Chairman, the \$35 million cut in the disaster aid request for Pakistan is not designed to affect, in any way, our concern over the extensive floods in that country which caused well over \$400 million worth of damage to life, home, agriculture, industry, communication networks and the elaborate system of canals and irrigation works.

Pakistan is an important friend of the United States in the Middle East and

South Asia regions, and it is in our national interest to continue to respond to its development needs to the extent possible. When the August 1973 flood hit, it was only natural that we would try to do what we could to help, especially because of the impressive and quick commitment the Pakistani Government made to recovery efforts. I believe the \$50 million requested in this bill provides essential disaster relief aid to a country in need of our aid at a time when it was beginning to show significant signs of economic and political recovery from the traumatic events of 1971, which included the independence of Bangladesh, a former province of Pakistan, and Pakistan's military defeat at the hands of India.

PAKISTAN'S PROGRAM

The original Executive request of \$85 million for Pakistan under the disaster assistance appropriation included:

The sum of \$40 million in commodity import loan funds to finance imports from the United States of raw materials, spare parts, fertilizer, pesticides, pharmaceuticals and other goods to help repair Pakistan's ravaged economy;

The sum of \$22 million in grants for reconstruction of small rural facilities including schools, hospitals, clinics, roads, and handpumps for drinking water; and

The sum of \$23 million to reimburse other AID accounts which were drawn down to meet the Pakistan emergency.

The three most important reasons for cutting this program are:

First, a sizable proportion of the \$40 million commodity import loan and of an agricultural production loan of \$18 million were proposed for fertilizer imports. It is highly unlikely that many of these funds will be spent during fiscal 1974 because of our embargo on fertilizer exports and the general worldwide shortage of fertilizer.

Second, several of the items proposed in the disaster relief proposal for Pakistan should be properly included in the regular program of long-range economic development for Pakistan rather than under the "disaster" heading.

Third, the \$35 million reduction represents the amount in the original pre-flood Pakistan program which was reprogrammed away from Pakistan after the floods and probably was allocated to South Vietnam.

If the Agency for International Development needs more funds for Pakistan during fiscal year 1974 to deal effectively with the disaster relief projects, then the Agency should reprogram to Pakistan funds previously earmarked for that country prior to the floods.

Mr. Chairman, I think that our committee's careful consideration of this request has improved the bill which we present today and insures that reasonable sums of money are made available for worthwhile and important disaster relief work in Sahel Africa, Pakistan, and Nicaragua. The United States has long demonstrated a commitment to respond to people in desperate need of help and people who have demonstrated a will to help themselves.

I urge my colleagues to support this bill and thereby provide funds to sup-

plement the self-help efforts of the peoples of these regions.

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

Mr. BROOMFIELD. Mr. Chairman, I urge passage of the bill before you, H.R. 12412. It would authorize disaster relief, rehabilitation and reconstruction assistance to the Sahelian nations of Africa, to Nicaragua and to Pakistan.

The amount recommended—\$115 million—is \$35 million less than the \$150 million appropriated last year subject to enactment of authorizing legislation.

As noted in the committee report, three great disasters in different parts of the globe have created an urgent need for economic and humanitarian assistance. There was a devastating drought in the Sahel of Africa, an earthquake in Nicaragua and floods in Pakistan.

Successive years of drought have brought human misery and economic devastation to the six countries of the Sahel—Mauritania, Senegal, Mali, Upper Volta, Niger, and Chad. The Foreign Assistance Act of 1973 authorized \$25 million for the emergency and recovery needs of the Sahel. This bill provides an additional \$50 million of which about \$15 million would be used to expand efforts to ease the immediate impact of the drought. The remaining \$35 million would be used for medium term recovery programs such as food and feed grain production and livestock herd improvement.

In Nicaragua, the \$15 million recommended by the committee would be used to convert temporary wood shelters into permanent low-cost homes housing 50,000 people. The Nicaraguan Government also would put \$15 million into the project.

Our assistance to Pakistan—the committee recommends \$50 million—will be used for reconstruction of rural facilities and the importation of essential relief supplies and other goods needed to repair Pakistan's flood ravaged economy.

This legislation is needed, Mr. Chairman, and the amount recommended is well justified. I urge approval of the bill.

Also, Mr. Chairman, I would like to remind my colleagues that the drought in Africa has extended beyond the six countries of the Sahel region. Today drought and famine have spread over much of Ethiopia, one of our country's true friends in Africa.

The depth of the Ethiopian tragedy was recently revealed to many of us on the Foreign Affairs Committee by our former colleague, the retiring Ambassador to Ethiopia, E. Ross Adair. Last week, Ambassador Adair met with a number of us from the committee and we learned first hand from Ross of the scope of the disaster in that ancient land.

The United States, along with other nations, has been providing emergency aid. The gravity of the situation requires that we continue to send humanitarian assistance to our Ethiopian friends. We should continue to help them in their efforts to survive the famine and rebuild for the future.

I urge the administration to maintain

a constant review of the needs of the Ethiopian people for disaster relief and to do everything possible to assist them in this time of need.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, while I supported this bill in committee and intend to vote for it here today, I want to call your attention to yet another disaster in Africa. Recent events have demonstrated that the drought in the sub-Saharan region of Africa is more extensive than the six nations commonly referred to as the Sahelian nations of Africa, which will receive assistance through this legislation. In fact, the drought stretches from Senegal on the west coast all the way to Ethiopia on the Red Sea.

Reports indicate that the famine in Ethiopia—one of America's firm friends—has affected nearly 2 million farmers and herdsmen, killing thousands. The Ethiopian Government has mobilized its limited resources. Some grain and other relief supplies have been provided by the United States and other nations and international agencies.

Last week a number of us had an opportunity to discuss the famine in Ethiopia with our former colleague, the retiring Ambassador to Ethiopia, the Honorable E. Ross Adair. Those of us who know Ross as I have since I came to Congress, and especially those of us who had the pleasure of serving with him when he was ranking minority member of the Committee on Foreign Affairs, have come to rely heavily upon his judgment. He assured us that the situation in Ethiopia is very serious and that our humanitarian assistance continues to be urgently needed and appreciated.

Mr. Chairman, in addition to supporting the bill wholeheartedly, I wish to express concern over the parliamentary situation that faces us which prohibits specific authorizations of funds to cover the disaster afflicting Ethiopia. I am wondering if the distinguished chairman of the full committee, the gentleman from Pennsylvania (Mr. MORGAN) would permit me to direct a question or two to his attention.

Mr. MORGAN. Certainly.

Mr. DERWINSKI. Mr. Chairman, I would ask the gentleman from Pennsylvania, would I be correct if I stated that had the parliamentary situation allowed us to consider it, that our committee would have favorably looked at the possibility of proper assistance to alleviate the drought conditions in Ethiopia as well?

Mr. MORGAN. The gentleman from Illinois is correct. But because the appropriation bill limited us to three specific areas—Pakistan, Nicaragua, and the Sahel region—we did not provide an express authorization for Ethiopia.

Mr. DERWINSKI. Is there a possibility that the Senate might be able to rectify this situation?

Mr. MORGAN. I will say to the gentleman from Illinois that, in my opinion, the Committee on Foreign Affairs would

have no objection to that; and I doubt whether the Committee on Appropriations would object. If the condition in Ethiopia can be considered as part of the problem of the Sahel disaster area, there would be some reason for some assistance there. If not, of course, there is \$15 million that has been authorized and appropriated for the contingency fund. I think some of those funds could be used in Ethiopia in an emergency in the next few months. So I think something could be worked out for Ethiopia. I understand that \$2 to \$3 million would be of great benefit in trying to solve the problem there. If such funds should not be taken out of the funds authorized for the Sahel, they could be taken out of the contingency fund.

Mr. DERWINSKI. I thank the chairman of the committee.

Mr. Chairman, I support the bill, and I yield back the remainder of my time.

Mr. FRELINGHUYSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of this legislation, which it seems to me is more than justified in the light of America's long tradition of humanitarian assistance to people in times of catastrophes. We have been told of the devastating effect of the drought in the Sahel, of the flood in Pakistan, and of the terrible earthquake in Nicaragua. Our Government, fortunately, was able to provide emergency assistance to the peoples immediately affected. Now, we are asked to participate in the work of rehabilitation and rebuilding.

This is not the normal kind of development assistance which we regularly consider in the context of AID's normal program. Rather, this is a special effort which follows our long history of responding to grave situations which require extraordinary measures. I support this legislation and hope that my colleagues will join me in voting its approval.

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

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the bill now before us, the Foreign Disaster Assistance Act of 1974.

The distinguished chairman of the House Foreign Affairs Committee, Mr. MORGAN, and my colleagues on the House Foreign Affairs Committee have underscored the urgent need for this legislation, assisting the disaster-ridden areas of Pakistan, Nicaragua, and Africa.

I would only add some thoughts concerning our responsibilities abroad. While our domestic needs certainly are pressing, we should not forsake the millions of needy people throughout the world.

Since we are the most affluent Nation in the world, it is often difficult for us to conceive of the dire plight of the less fortunate people in other lands.

Nonetheless, we have always been generous in fulfilling our responsibilities to mankind. I doubt that the momentary inconveniences and shortages now afflicting our citizens has in any manner

dampened our great American humanitarian spirit.

Accordingly, I ask my colleagues to consider America's moral obligations as a leader in the family of nations and vote to support the passage of H.R. 12412.

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

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. HANNA).

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

Mr. Chairman, I rise in support of this legislation and wish to associate myself with the remarks of the gentleman from New York. Disasters that take human life and dislocate masses of people such as have been experienced in Nicaragua, Pakistan, and the African Sahel, cause us to reflect on our role as a nation in the family of man. I am not unmindful that the problems and needs of many Americans are acute, nor am I suggesting any diminution of our attention to those problems. I will suggest, however, that even with these problems in mind ours is a better lot by far than that of the countries mentioned above. These particular crises cry out for humanitarian response. Who, we must ask, is in the best position to respond? Certainly the answer is the United States. We must not fail to respond with a sharing of our lot with those victims of earthquake, flood, or drought where no other relief is forthcoming to match the magnitude of the problem.

Mr. DU PONT. Mr. Chairman, I wonder how many of us here today can really imagine what it means to a nomadic herdsman to have his wells dry up and his few crops fail when the rains do not come. I wonder how many can imagine the devastating cost to poor farmers when all their planted acreage is washed away. And, I wonder how many can imagine the sheer devastation of a large city razed to the ground with its buildings smashed and crumpled and fires blazing in all directions.

The peoples of the Sahel nations in Africa, of Pakistan, and of Nicaragua have experienced these disasters. They are pulling themselves up with their own resources as well as they possibly can. We have helped in this effort and are now asked to help a little more. Our Government was able to meet emergency needs through our regular AID programs which provide funds for such urgent purposes. But the costs of rehabilitation and reconstruction are far larger, and accordingly we are asked to approve special funds for these purposes. It seems to me that we ought to find the means to provide \$115 million requested in this legislation.

It should be borne in mind that these funds have already been appropriated. In fact, we approved the appropriation last December of \$150 million for these purposes. Today we are called upon only to review what might be considered an oversight and thus to authorize expenditure of already appropriated funds. The Foreign Affairs Committee, having considered this matter carefully, recommends authorization and I hope that my

colleagues will join with me in approving it.

Mr. BIESTER. Mr. Chairman, I rise in strong support of H.R. 12412, the Foreign Disaster Assistance Act.

This legislation will provide the required authorization for approximately \$115 million in funds already appropriated in further response to recent calamities abroad—the drought in the Sahel region of Africa, the earthquake in Nicaragua, and the floods in Pakistan.

Each of these natural disasters has brought extensive destruction and death, and anyone who has witnessed these or any other such tragedies knows how desperately outside assistance is needed and welcomed.

My service on the Africa Subcommittee, visits to several African nations last year, and discussions at that time and since then with many African leaders has underscored to me the extreme significance of that aid which is earmarked for the Sahel. While in Africa last summer I had discussions with officials involved in relief efforts and others close to problems brought about by the drought. I had an opportunity to visit a fringe area of the Sahel and witness the absolute depths to which this disaster has reduced these proud people. The cumulating effects of many months of negligible rainfall has had a devastating impact on the frugal existence of the population.

The \$50 million allocated for the Sahel in this authorization has a twofold thrust: to help with short-term assistance for more immediate needs and long-term assistance to initiate agricultural productivity and replenish depleted livestock.

Reports reaching us from Ethiopia describe an increasingly desperate situation there, as well, from severe drought. Since Ethiopia is not technically a part of the Sahel, no provisions have been made in the legislation for assistance to that nation. The magnitude of the problem here has only been belatedly recognized, and the longer we wait to respond the graver the consequences become. We should be taking immediate steps to aid the Ethiopian people in their relief efforts. Here, as in the Sahel, tremendous logistical problems hinder effective relief measures. This cannot deter us, however, from doing all in our power to alleviate the suffering of millions of people and offer them some hope in their uncertain future.

The \$50 million to Pakistan will provide basically agricultural and construction assistance to help rebuild the country's economy in the wake of last summer's extensive flooding. This aid will supplement earlier postflood help from the U.S. Government and private sources in our country.

Nicaragua's receipt of \$15 million as a low-interest, long-term loan will go toward the construction of permanent housing for the thousands left homeless after the 1972 earthquake.

Mr. Chairman, I urge my colleagues to extend this critical assistance to the Sahel, Pakistan, and Nicaragua.

Mr. BUCHANAN. Mr. Chairman, I rise in support of H.R. 12412, a bill to authorize an appropriation of \$115 mil-

lion for disaster relief purposes in Nicaragua, Pakistan, and the Sahel countries of Africa.

In the past year or so, these areas have experienced extreme hardships and untold devastation because of earthquakes, floods, and famine. We are asked today to help these states in the process of disaster relief and reconstruction and rehabilitation.

Mr. Chairman, I believe it is in our national interest to try to help these states for several reasons. First, these countries are friends of the United States. Pakistan, for instance, is one of the few countries in its region which has stood by the United States in the past several years.

Second, U.S. assistance would complement the remarkable self-help efforts the nations involved are making to deal with the dislocations and hardships caused by these calamities. Pakistan is again a case in point. The entire country was mobilized after the August floods to deal with the emergency relief needs of the affected population and regions. The Government diverted some \$100 million of funds that would have gone to important development projects to help pay for relief needs. The total flood damage was upward of \$400 million. Such courageous decisions to divert essential development funds cannot be taken lightly in a state where development needs are so great and where every project supported by the Government was chosen over dozens that must wait for possible future funding.

Third, the impressive response from other states around the world to these disasters is commendable and the United States should participate in this international effort. Well over \$100 million has already been contributed to Pakistan to help with the reconstruction and emergency relief needs. Her Arab neighbors, for example, contributed well over \$10 million immediately following the floods and they are now making large commitments to Pakistan's pressing development needs. The states of Europe have also been concerned with and committed to the process of rehabilitation in Pakistan.

International involvement in the relief effort was initially given strong leadership by the United Nations representative in the country. The U.N. helped coordinate emergency relief efforts and kept all donor countries advised of developments as the flood waters moved south. The U.N. representative's efforts helped insure that relief needs got to the places where they were needed, that red-tape was minimized and that international efforts were not duplicated. In fact, people from around the world are pointing to this effort in Pakistan as the best organized disaster relief program ever conducted.

Finally, Mr. Chairman, I believe that the longstanding commitment of the United States to try to provide humanitarian relief to people in need is a tradition that we support and one worthy of continuation. We can no longer extend aid on the scale that we have in some past years. We know this and recipient states also know this. But we should continue to assist others whenever pos-

sible. We can and should do so here.

I urge your support of this disaster relief bill which provides essential relief and reconstruction aid to friends in need.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of H.R. 12412, which authorizes \$115 million in famine and disaster assistance to the Sahel of Africa, and disaster relief and emergency recovery needs in Nicaragua and Pakistan. Title IV of the fiscal 1974 Foreign Assistance Appropriations Act provided for these disaster assistance funds, contingent upon the subsequent enactment of an authorization bill. On January 25 of this year, the Administrator for the Agency for International Development, the Honorable Daniel Parker, submitted an official request to the Congress, pointing out that these funds are urgently needed due to the damage caused by the Pakistan flood, the Nicaraguan earthquake, and the drought which has struck the Sahelian nations of Africa. Specifically, this legislation authorizes \$65 million for the disaster relief and recovery needs of Pakistan and Nicaragua, of which \$50 million will be available for Pakistan and \$15 million for Nicaragua; and another \$50 million in famine and disaster relief to the African Sahel.

Mr. Chairman, this is, indeed, an urgent supplemental authorization since we did not anticipate these disasters at the time we acted on the fiscal 1974 authorization, and the situation in the countries affected is critical. As the committee report points out, the stricken countries themselves are working hard to overcome the impact of the catastrophes, and other countries in the world are giving relief assistance.

In Pakistan, for instance, of the \$108 million contributed to the relief effort thus far, 60 percent has come from countries other than the United States; of the \$90 million contributed to Nicaragua from the international community to date, about 70 percent has come from countries other than the United States, though it should be noted that another \$8.4 million in contributions has been made through the private donations of Americans; and, in the Sahel region, the United States has contributed about 36 percent of the total contribution from the international community. I think this perspective is necessary in considering the bill before us today. While the United States is maintaining its humanitarian tradition as a leader in international disaster relief, we are by no means shouldering the entire burden.

I think it should also be pointed out in considering this authorization that the \$115 million involved is not necessarily all for grant assistance, and that it will be up to AID to determine how much of the authorization will take the form of long-term loans. The administration's original request of \$150 million for these three countries included \$40 million in loan funds for Pakistan and a \$15 million loan to Nicaragua.

Finally, Mr. Chairman, it should be noted that the committee's authorization request is \$35 million less than the administration's request, a 23-percent reduction.

In conclusion, Mr. Chairman, I urge adoption of this authorization which I feel is both a reasonable request and an urgently needed one.

Mr. DRINAN. Mr. Chairman, I wholeheartedly support the legislation before us now to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to three of the most needy sections of the world.

The floods in Pakistan, an earthquake in Nicaragua, and the devastating drought in the Sahel of Africa are, unfortunately, only the tip of the iceberg of human suffering. The money we authorize today will, hopefully, assist millions of people in averting the worst impact of the natural disasters which beset them. This legislation reminds us as citizens of the United States that we should continue, and expand, the humanitarian tradition of assisting those most in need.

The bill before us authorizes \$65 million for disaster relief and emergency economic recovery needs in Pakistan and Nicaragua, distributed \$50 million for Pakistan and \$15 million for Nicaragua, and \$15 million for famine and disaster assistance to the Sahel. The appropriations measure passed in December 1973, subject to the passage of the authorizing legislation before us, had authorized a \$150 million total, and this authorization is \$35 million less than that total. The \$35 million reduction, which applies to Pakistan, is recommended by the committee based on their belief that the cut will not adversely affect relief and reconstruction efforts in Pakistan. The committee also believes that the cut will not impair the good relations between the United States and Pakistan, and notes that some items in the proposed \$35 million should more properly be included in a normal long-range economic development program rather than under a disaster relief program.

The present appropriation is made in addition to \$47.8 million in official assistance and \$1.2 million cash, foods, and medicines from private American donors which Pakistan received immediately after the August-September floods of 1973 uprooted nearly 5 million people, destroyed much farm lands, and did hundreds of millions of dollars of damage to Pakistan's economy. The report notes that the total postdisaster aid to Pakistan so far exceeds \$108 million, of which nearly 60 percent has come from donors other than the United States, including a \$13 million from Arab countries.

The Managua, Nicaragua, earthquake of December 23, 1972, killed approximately 10,000 people, left more than 20,000 people homeless, and destroyed countless houses, schools, hospitals, and office buildings. To date, Nicaragua has received a total of some \$90 million, including \$27.6 million in U.S. Government assistance and \$8.4 million in private American donations. The present appropriation of \$15 million will be used to convert temporary wood shelters into 10,000 permanent low-cost homes housing 50,000 people. The Nicaraguan Government will also put \$15 million into the housing project.

The years of drought in the Sahelian countries of Africa—Mauritania, Senegal, Mali, Upper Volta, Niger, and

Chad—exceed the capacity to imagine human suffering of most Americans. The drought continues in 1974 unabated. The United States has already given \$129 million to the starving 25 million people of the Sahel. The worldwide contribution approximately \$361 million. The \$50 million we authorize today will provide \$15 million for short-term programs to ease the effect of the drought on the people and the surviving livestock in the Sahel, and \$35 million for longer-range recovery programs, including food and grain production and livestock herd improvement.

I urge my colleagues to support this bill. Such support is only the beginning of our recognition of our obligations as a rich and healthy country to those less fortunate in this world.

Mr. RANDALL. Mr. Chairman, when the vote on the Disaster Assistance Act was taken I voted in the affirmative which caused some of my colleagues to construe this as a departure from a long established pattern of opposition to foreign aid.

Accordingly, I take this time not to make an explanation or an apology because I believe that in consideration of the context of a measure, a vote should always speak for itself.

I make these remarks to point out that in consideration of H.R. 12412 the House today encounters a rather unique situation. This is true because the House, last December, had already approved under the foreign aid appropriations bill a greater amount than is being authorized today. At that time, near the end of 1973, I voted against the foreign aid appropriations bill, which as we so well recall is always handled by the gentleman from Louisiana (Mr. PASSMAN). I voted against that appropriation bill as I have over the years, without a single exception.

But taken within the context of last year's foreign aid appropriations bill the authorization bill that we are considering today is a reduction of disaster relief under or below the figures appropriated in December. Bear in mind that \$150 million has already been appropriated. Early last winter I cast a negative vote. Today for these same purposes only \$115 million is authorized to accomplish the same result. Accordingly an affirmative vote today is an economy vote.

As I previously observed, these remarks are not by way of apology. I say that because we are not considering a foreign aid bill today even though the title of this bill states it is an amendment to the Foreign Assistance Act of 1961.

As H.R. 12412 provides no economic assistance in the accepted use of that term, or military assistance, or developmental assistance with its attendant concessional loans, interest free. Rather this is disaster relief.

Today we are acting to help some human beings that have suffered three great calamities in three different countries—severe floods in West Pakistan; a devastating earthquake in Nicaragua, and a widespread drought in Sahelia in the middle of Africa.

As to Pakistan, the floods of August and September of 1973 resulted in the loss of homes of nearly 5 million people. The most productive farmland was ravaged.

In Nicaragua 2 days before Christmas on December 23, 1972, an earthquake struck Managua and killed over 10,000 people. This earthquake left more than 200,000 homeless.

The Sahelians of Africa listing from west to east are Mauritania, Senegal, Mali, Upper Volta, Niger, and Chad. These countries have suffered from not just 1 year of but successive years of drought. This drought situation has brought indescribable human misery. The desert has been creeping down from the north. They are out of water. What is happening is that these suffering humans try to journey to cities for relief. Some die en route, some die just outside the cities. Others survive long enough to live for a while in camps. Death by starvation has run into the millions.

Mr. Chairman, I opposed the International Development Fund because it involved well over a billion dollars. It was economic assistance pure and simple which has not proved successful or productive in the past.

However, a distinct line should be drawn between over a billion dollars in foreign aid and a little over \$100 million of disaster relief. The bill today is to ease human suffering. It is an expression of our country's long humanitarian tradition. In a word, it is really charity.

Moreover, there is no way these funds can wind up in the hands of some foreign bureaucrats and be denied the use for which they were intended. As is true so often with foreign aid most of this funding will go for food. The assurance that we have that this money will not be misdirected, is that it will be administered by voluntary agencies including such church groups as the Baptists, the Methodists and the Catholics. That should be reassurance enough for all of us.

The CHAIRMAN. There being no further requests for time, the Clerk will read as follows:

H.R. 12412

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 "Foreign Disaster Assistance Act of 1974".

Sec. 2. Chapter 5 of part I of the Foreign Assistance Act of 1961 is amended by inserting immediately after section 451 the following new section:

"Sec. 452. DISASTER RELIEF. The Congress affirms the response of the United States Government in providing (a) disaster relief, rehabilitation, and reconstruction assistance in connection with the damage caused by floods in Pakistan, (b) disaster relief, rehabilitation, and reconstruction assistance in connection with the earthquake in Nicaragua, and (c) famine and disaster relief and rehabilitation and reconstruction assistance in connection with the drought in the Sahelian nations of Africa. There is authorized to be appropriated to the President, in addition to funds otherwise available for such purposes, \$150,000,000 to remain available until expended notwithstanding the provisions of Public Law 93-240, for use by the President for such assistance, under such terms and conditions as he may determine notwithstanding any prohibitions or restrictions contained in this or any other Act."

Mr. MORGAN (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 Pennsylvania?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 1, strike out line 8 and all that follows down through line 14 on page 2 and insert the following:

SEC. 452. DISASTER RELIEF ASSISTANCE.—There is authorized to be appropriated, in addition to other sums available for such purposes, \$65,000,000 for use by the President for disaster relief and emergency recovery needs in Pakistan and Nicaragua, under such terms and conditions as he may determine such sums shall remain available until expended.

Sec. 3. Section 639A(b) of the Foreign Assistance Act of 1961 is amended by striking out "\$25,000,000" and inserting in lieu thereof of "\$75,000,000".

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

Mr. Chairman, there may not be substantial opposition to this bill, as the gentleman from New Jersey (Mr. FRELINGHUYSEN) said, and there will be no substantial concern for the taxpayers on the part of the proponents of this legislation.

Mr. Chairman, contrary to the title of this bill the Foreign Disaster Assistance Act, it is really a disastrous bill to relieve the American public of more money.

No less than \$50 million is earmarked for Pakistan, a country which has been hosting a gaggle of Moslem potentates who have been roasting us for a long time. What with the Arab countries piling up oil dollars extracted from us, can they not spare a few to help their coreligionists? Let them find out if blood is as thick as oil. We tilted toward Pakistan once. It is about time we straightened up.

Nicaragua is getting a \$15 million cut out of this piece of cake. The committee was told that the Nicaraguan:

GNP (Gross National Product) increased during 1973 by about 3 percent largely due to the high prices in the export sector. The activity in the industrial sector is up to 95 percent of pre-earthquake levels; employment in the commercial sector . . . was at 75 percent of pre-earthquake levels as of June 1973. Three new shopping centers are in operation and one more is under construction.

Now we are going to finance low-cost housing with a loan to Nicaragua. It will be repaid, if ever, over 40 years with interest at 2 percent for the first 10 years and 3 percent for the remaining 30 years. I suggest the Members ask their constituents what they think of that kind of financing for housing.

This \$115 million, Members of the House, will be borrowed by your Government and mine, and I understand there is to be an offering of Government securities to the public today or in the immediate future which will be at 8-percent interest.

Finally there is \$50 million for Africa. The drought on that continent, the committee was told, was due to the continu-

ous southward advance of the Sahara Desert:

It is estimated that about 250,000 square miles of arable land have been forfeited to the desert in the last 50 years.

The \$50 million will have as much chance in turning back the desert as Canute had in turning back the sea—and he did it with his bare hand.

This bill also delegates to the President the authority to spend the \$115 million. I thought we were concerned here about delegations of power to the President, any President of this country. If this bill is passed, you who vote for it, will be delegating additional power to the President of the United States, whenever he may be.

We have natural catastrophes in this country—floods, earthquakes, tornadoes, shore erosion. If disaster strikes your area, do not waste time with futile appeals to the Government for help. Just plant a flag, declare it independent, denounce the United States, and apply for foreign aid. The results will be better and much quicker.

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

Mr. GROSS. I am delighted to yield to my friend, the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I thank the gentleman from Iowa for yielding.

Am I correct that the United States in the recent disturbances between Pakistan and India took the part of Pakistan? Was it Pakistan or India? It was Pakistan, I believe.

Mr. GROSS. The United States?

Mr. KETCHUM. Yes.

Mr. GROSS. On which side did we fall?

Mr. KETCHUM. Well, I do not really know from time to time; but it seems to me the U.S. Government was supplying the Government of Pakistan in that disturbance. Am I incorrect?

Mr. GROSS. The gentleman is correct.

Mr. KETCHUM. Did I not read somewhere just recently that our great ambassador to India forgave a \$3 billion loan to India?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Gross was allowed to proceed for an additional 3 minutes.)

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

Mr. GROSS. I yield to the gentleman from California, but first let me say that the gentleman is correct—the U.S. Government wiped out India's debt to this country.

Mr. KETCHUM. I have no further questions. It just seems strange to me that we are sort of playing both sides against the middle here.

Mr. GROSS. Of course, we do that all the time. We are peddling arms to both sides in the Middle East, as we were before the war in October. We are today the biggest arms peddlers in the Middle East. We have no compunction about indulging in duplicity as a matter of so-called foreign policy, none whatever. The U.S. Government is perfectly willing to drain the pockets of the American taxpayers as in this legislation in order, as

they say, to implement the policy and practice of duplicity.

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

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

Mr. TREEN. I take this opportunity to ask the chairman of the committee a question. I am concerned about the statement of the gentleman in the well, which seems to indicate that the \$50 million that we are to provide for the African nations will be directed to trying to turn back the drought that apparently he says is caused by the Sahara Desert moving south.

Frankly, I have not made up my mind on this bill, but I am concerned for what purpose these funds are going to be put, really.

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

Mr. GROSS. I yield to the gentleman.

Mr. MORGAN. Mr. Chairman, the first part of our assistance last year was for immediate relief. About \$15 million or more out of the \$50 million in this bill will also be for immediate relief; for food and so forth.

Mr. TREEN. How much did the gentleman say?

Mr. MORGAN. \$15 million. The rest, together with contributions from other countries, would provide resources for intermediate disaster help. For example, some studies are being undertaken to determine if this drought situation can be cured on a permanent basis. Some of the funds will be used for studies; others to correct the condition, if it can be corrected. There is some hope it can be corrected.

Mr. TREEN. Does this have to do with irrigation or to move people on to arable lands?

Mr. MORGAN. We do not know exactly what has to be done at this point, but certainly the vegetation has to be restored in some way to stop the spreading of the desert. Better planning in organizing human settlements in that area will also be involved.

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

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

Mr. BAUMAN. I would like to ask a question of the gentleman from Iowa. I heard some remarks made earlier about the moral obligation on the part of the United States to meet emergencies, such as this bill addresses itself to.

Does the gentleman from Iowa have any idea about moral obligations on the part of Members of Congress toward their constituents? As I understand the figures, they pay roughly everything they earn from January 1 to May 20 each year in Federal, State and local taxes, before they can even spend money on themselves. Is there any moral question raised by that kind of statistic?

Mr. GROSS. Of course, there is no obligation on the part of taxpayers of the country to undertake this kind of program or any of the rest of the foreign giveaway programs.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Gross was allowed to proceed for an additional 1 minute.)

Mr. GROSS. Mr. Chairman, a majority of the Members present today, will, I am sure, vote for this bill. I hope that when they go back week after next to their constituents during the Easter recess, they will brag about how they got rid of another \$115 million abroad and in the process delegated more power to the President. They should not bellyache if their constituents ask why the President has so much power; just tell them you voted on March 28 for another foreign aid bill and to hand more power to the President to spend the money as he sees fit.

Mr. Chairman, this bill is another contribution to the inflation that is wrecking the country. It is facing financial disaster. It is time for another Disaster Relief Act—for Americans.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Alabama.

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

Mr. Chairman, I propose to vote for this bill.

I do so even though foreign aid is unpopular in Birmingham, Ala., because I know full well that there is not a man, woman, or child in my congressional district; there is not a Democrat; there is not a Republican; there is not a liberal; there is not a conservative who would have me vote for children to starve to death.

Mr. Chairman, I tell the Members that we cannot say this about every piece of legislation that comes out with a foreign aid tag on it, but we are dealing here with emergencies and urgent critical human needs. I tell the Members that literally, without the help that is in this bill, some people will starve to death who would not starve to death if they do receive the assistance we are giving.

Mr. Chairman, this is an international effort. It is not only a U.S. effort. Other countries are also following this example of the American people and contributing to this kind of disaster relief. I want the Members to understand what they are doing in this bill. They are talking about human need and talking about whether or not people will starve.

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

Mr. BUCHANAN. Mr. Chairman, I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I thank the gentleman from Alabama for making a very valid point. This is an emergency bill. This disaster in parts of Africa has been coming on for a number of years. It will take years to combat it.

Mr. Chairman, there are various international organizations behind it. I think it is a very practical, positive, humane thing for the United States to be in the forefront of this humanitarian effort.

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

Mr. BUCHANAN. Mr. Chairman, I yield to the gentleman from New Jersey.

Mr. FREILINGHUYSEN. Mr. Chairman, a question has been raised just now as to whether there is any moral obligation on our part to respond to disasters.

I would hope the answer to that question should be self-evident.

Mr. Chairman, I would hope that we would respond to disaster, not only in this country, but throughout the world where real, serious human need exists. None of these countries, I might point out, as the gentleman from Iowa intimated, are denouncing the United States.

Mr. Chairman, I would hope we never feel that we are so hard put, the taxpayers are so hard pressed that we find ourselves unable to respond on a humanitarian, moral basis.

Mr. BUCHANAN. Mr. Chairman, I thank the gentleman. I will only say that if I were to ask the people of my district whether I should support foreign aid, 95 percent would say "no." But, if I were to say, "Do you want the United States to meet urgent human needs, including preventing the starvation of men and women, boys and girls," the answer would be 100 percent "yes." I am positive of it, and that is what we are talking about here today. I urge the passage of this legislation.

The CHAIRMAN. The question is on the first committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the second committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, after line 14, insert the following:

Sec. 4(a). The Secretary of State shall keep the appropriate committees of Congress fully and currently informed of the ongoing status of any negotiations with any foreign government regarding the cancellation, renegotiation, rescheduling, or settlement of any debt owed to the United States by any such foreign government under the Foreign Assistance Act of 1961. The Secretary of State shall transmit to the Speaker of the House of Representatives, and to the chairman of the appropriate Senate committee, the text of any international agreement proposing a modification in the terms of such debt no less than thirty days prior to its entry into force, together with a detailed explanation of the interest of the United States in such modification.

(b) No debt authorized under the Foreign Assistance Act of 1961 owed to the United States by any foreign government may be cancelled, renegotiated, rescheduled, or settled in any manner inconsistent with the legislative authorization applicable to the original debt as modified by any subsequent amendment, except as provided in this section.

The CHAIRMAN. The question is on the second committee amendment.

The committee 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, Mr. MAZZOLI, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee having had under consideration the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa, pursuant to House Resolution 992, 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.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

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 question was taken; and the Speaker 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. 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 276, nays 124, not voting 32, as follows:

[Roll No. 123]

YEAS—276

Abzug	Davis, Ga.	Hogan
Adams	Davis, S.C.	Hollifield
Adabro	Davis, Wis.	Holtzman
Alexander	de la Garza	Hosmer
Anderson,	Delaney	Howard
Calif.	Dellenback	Hunt
Anderson, Ill.	Dellums	Johnson, Calif.
Andrews,	Dennis	Johnson, Colo.
N. Dak.	Dent	Johnson, Pa.
Annunzio	Derwinski	Jones, Ala.
Arends	Dingell	Jones, N.C.
Ashley	Donohue	Jordan
Aspin	Drinan	Karth
Badillo	du Pont	Kastenmeier
Barrett	Eckhardt	Kazen
Bell	Edwards, Ala.	Koch
Bennett	Edwards, Calif.	Kyros
Bergland	Eilberg	Leggett
Biaggi	Esch	Lehman
Biester	Eshleman	Lent
Bingham	Evans, Colo.	Long, Md.
Boland	Evins, Tenn.	Luken
Boiling	Fascell	McClory
Bowen	Findley	McCloskey
Brademas	Fish	McCormack
Brasco	Flood	McDade
Breaux	Foley	McFall
Breckinridge	Ford	McKay
Brooks	Forsythe	McKinney
Broomfield	Fraser	Macdonald
Brotzman	Frelighuyzen	Madden
Brown, Calif.	Fulton	Madigan
Buchanan	Fuqua	Mahon
Burgener	Gettys	Mallary
Burke, Calif.	Giaimo	Maraziti
Burke, Mass.	Gibbons	Martin, Nebr.
Burton	Gilman	Mathias, Calif.
Butler	Gonzalez	Matsunaga
Carney, Ohio	Grasso	Mayne
Carter	Gray	Mazzoli
Casey, Tex.	Green, Oreg.	Meeds
Cederberg	Green, Pa.	Melcher
Chamberlain	Griffiths	Metcalfe
Chisholm	Grover	Mezvinsky
Clark	Gubser	Mills
Clausen,	Gude	Minish
Don H.	Guyer	Mink
Clay	Hamilton	Mitchell, N.Y.
Cleveland	Hanley	Moakley
Cohen	Hanna	Mollohan
Collins, Ill.	Hansen, Idaho	Moorhead, Pa.
Conte	Hansen, Wash.	Morgan
Conyers	Harrington	Mosher
Corman	Harsha	Moss
Cotter	Hawkins	Murphy, Ill.
Coughlin	Hays	Murphy, N.Y.
Cronin	Hechler, W. Va.	Murtha
Culver	Heinz	Natcher
Daniels,	Helstoski	Nedzi
Dominick V.	Hicks	Nelsen
Danielson	Hillis	Nix

Obey
O'Hara
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Pettis
Feyser
Pickle
Pike
Podell
Powell, Ohio
Freyer
Price, Ill.
Pritchard
Quile
Quillen
Rallsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Rinaldo
Robison, N.Y.
Rodino
Roe
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rostenkowski

Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schneebell
Schroeder
Seiberling
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton
J. William
Stanton
James V.
Stark
Steele
Steiger, Wis.
Stokes
Stratton
Stubblefield
Studds
Symington
Talcott
Thompson, N.J.
Thomson, Wis.
Thone
Thornton

Tiernan
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widinall
Wiggins
Wilson, Bob
Wilson,
Charles, Tex.
Winn
Wolff
Wydler
Wylie
Yates
Yatron
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zwach

NAYS—124

Abdnor
Andrews, N.C.
Archer
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bray
Brinkley
Brown, Mich.
Brown, Ohio
Broihill, N.C.
Broihill, Va.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Byron
Camp
Chappell
Clancy
Clawson, Del
Cochran
Collier
Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert
W., Jr.
Denholm
Devine
Dickinson
Dorn
Downing
Dulski
Duncan
Fisher
Flowers
Flynt
Frey

Froehlich
Gaydos
Ginn
Goodling
Gross
Gunter
Haley
Hammer-
schmidt
Hastings
Henderson
Hinshaw
Holt
Huber
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Jones, Okla.
Jones, Tenn.
Kemp
Ketchum
King
Lagomarsino
Landgrebe
Landrum
Latta
Litton
Long, La.
Lott
Lujan
McCollister
McEwen
McSpadden
Mann
Martin, N.C.
Mathis, Ga.
Michel
Milford
Miller
Minshall, Ohio
Mizell

Montgomery
Moorehead,
Calif.
Myers
Nichols
O'Brien
Parris
Poage
Price, Tex.
Rarick
Roberts
Robinson, Va.
Rogers
Rose
Rousselot
Runnels
Ruth
Satterfield
Scherle
Sebelius
Shipley
Shoup
Shuster
Skubitz
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Towell, Nev.
Waggoner
Whitten
Wyman
Young, Alaska
Young, Fla.
Young, S.C.
Zion

NOT VOTING—32

Bevill
Blackburn
Blatnik
Boggs
Carey, N.Y.
Diggs
Erlenborn
Fountain
Frenzel
Goldwater
Hanrahan
Hébert

Heckler, Mass.
Horton
Kluczynski
Kuykendall
Mitchell, Md.
Patman
Reid
Riegle
Rooney, N.Y.
Rosenthal
Shriver
Sikes

Stephens
Stuckey
Sullivan
Walde
Williams
Wilson,
Charles H.,
Calif.
Wright
Wyatt

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Horton for, with Mr. Blackburn against.

Mrs. Heckler of Massachusetts for, with Mr. Kuykendall against.

Mr. Frenzel for, with Mr. Goldwater against.

Until further notice:

Mr. Rooney of New York with Mr. Bevill.
Mr. Mitchell of Maryland with Mr. Riegle.
Mr. Sikes with Mr. Stuckey.
Mr. Hébert with Mr. Shriver.
Mr. Carey of New York with Mr. Wyatt.
Mr. Diggs with Mr. Reid.
Mr. Kluczynski with Mr. Williams.
Mr. Stephens with Mr. Erlenborn.
Mrs. Sullivan with Mr. Hanrahan.
Mr. Charles H. Wilson of California with Mr. Walde.
Mr. Wright with Mr. Fountain.
Mrs. Boggs with Mr. Blatnik.
Mr. Rosenthal with Mr. Patman.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MORGAN. 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 Pennsylvania?

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. WYDLER. Mr. Speaker, I take this time for the purpose of asking the majority leader concerning the schedule for the balance of this week and the schedule for next week.

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

Mr. WYDLER. I yield to the distinguished majority leader.

Mr. O'NEILL. I thank the gentleman for yielding.

The program for the House of Representatives for the week of April 1, 1974, is as follows:

Monday is Consent Calendar day, with nine funding resolutions from the House Administration Committee.

House Resolution 937, Committee on Internal Security;

House Resolution 886, Committee on Interior and Insular Affairs;

House Resolution 916, Committee on Interstate and Foreign Commerce;

House Resolution 920, Select Committee on Small Business;

House Resolution 945, Committee on Ways and Means;

House Resolution 952, Committee on Foreign Affairs;

House Resolution 957, Committee on District of Columbia;

House Resolution 987, Committee on Public Works; and

House Resolution 1003, House Information Systems.

There will be four suspensions:

S. 969, publication of constitutional rights of Indians;

S. 1836, American Hospital in Paris incorporation amendment;

S. 2441, American War Mothers incorporation amendment; and

H.R. 13515, Librarian of Congress retirement.

Tuesday is Private Calendar day, and there are nine suspensions:

H.R. 12925, supplemental maritime authorization;

H.R. 12627, Miss Keku documentation;

H.R. 8586, sale of S.S. *Independence*;

H.R. 11223, sale of C-4's in Guam trade;

H.R. 12208, movement by barge;

H.R. 10942, Migratory Bird Convention with Japan;

H.R. 13542, abolish position of Commissioner of Fish and Wildlife;

H.R. 8101, Defense personnel to Fish and Wildlife Service; and

H.R. 10972, tax on bows and arrows.

Then there will be S. 2770, pay structure for medical officers and other health professionals, under an open rule, with 1 hour of debate.

On Wednesday and the balance of the week we will have:

H.R. 13163, Consumer Protection Act, subject to a rule being granted, and I understand they are asking 2 hours of open debate on that; and

H.R. 12565, Defense Departmental supplemental authorization for fiscal year 1974, subject to a rule being granted, and I understand they are also asking 2 hours of open debate on that.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. WYDLER. Mr. Speaker, just to make sure, am I correct that I understand the gentleman did say the business of this week is concluded?

Mr. O'NEILL. The business of this week is concluded.

ADJOURNMENT TO MONDAY, APRIL 1, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall object, I should like to inquire about H.R. 10972, the tax on bows and arrows. Does the gentleman happen to have any further information on that bill? Where is the revenue to go and how much revenue is involved?

Mr. O'NEILL. All I can tell the gentleman, if he will yield, is that this is postponing the tax for 6 months.

Mr. GROSS. I wonder if we can afford to lose that revenue for 6 months?

Mr. O'NEILL. As things are now I would be not greatly concerned. I understand it goes to the Federal Aid to Wildlife Restoration Fund.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday

rule be dispensed with on Wednesday of next week.

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

There was no objection.

PERSONAL EXPLANATION

Mr. DANIELSON. Mr. Speaker, during the proceedings of Monday, March 25, 1974, I was unavoidably absent when four yea-and-nay votes were taken. For the record, I now state how I would have voted on these questions had I been present:

Rollcall No. 107: Passage of H.R. 8747, to repeal section 274 of the Revised Statutes of the United States relating to the District of Columbia, requiring compulsory vaccination against smallpox for public school students. I would have voted "yea."

Rollcall No. 108: Motion to recommit H.R. 12109. I would have voted "nay."

Rollcall No. 109: Passage of H.R. 12109, to amend the District of Columbia Self-Government and Governmental Reorganization Act to clarify the provision relating to the referendum on the issue of the advisory neighborhood councils. I would have voted "yea."

Rollcall No. 110: Passage of H.R. 12832, to create a Law Revision Commission for the District of Columbia, and to establish a municipal code for the District of Columbia. I would have voted "yea."

PERSONAL EXPLANATION

Mr. SYMINGTON. Mr. Speaker, on rollcall 119, on the so-called Ashbrook amendment, I was recorded as being absent. I was present and voted "nay" and I would ask unanimous consent that my statement to that effect may be placed in the permanent RECORD.

The SPEAKER pro tempore (Mr. THORNTON). Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERSONAL EXPLANATION

Mr. DEVINE. Mr. Speaker, on rollcall 112, a quorum call, I was present and I inserted my card in our modern electronic device and I pushed the button but apparently the device failed to record. I was present and I would ask unanimous consent that my statement be included in the permanent RECORD.

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

There was no objection.

HOPE FOR SPEEDY ENACTMENT OF SECTION 410(b)

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

Mr. JARMAN. Mr. Speaker, today I have introduced a bill providing for the enactment of section 410(b) as an amendment to the Federal Aviation Act

of 1958. Let me now detail the justification for this proposed legislation.

Mr. Speaker, the national interest of the United States is being seriously and adversely affected by the fuel crisis as it restricts and jeopardizes the U.S.-flag foreign and overseas air transportation system. The entire U.S.-flag industry engaged in foreign and overseas air transportation—scheduled services, supplemental charter services, and all-cargo services—is caught in an economic emergency, beyond the control of management which, if not temporarily aided by the U.S. Government, appears to be headed toward a wide-ranging disruption of services which would be severely adverse to our national interests. The continuation of these foreign and overseas U.S.-flag services, which it has taken decades to build up to their present position of supremacy, is required in the best interests of the commerce of the United States, its Postal Service, and our national defense. Such services must be preserved at all costs and the proposed amendment to the Federal Aviation Act in section 410(b) appears to be the only viable solution to this current problem.

Inflation in the price of fuel has struck the entire spectrum of the United States air transportation industry. But in no area has the problem been as severe as it is for all classes of the U.S.-flag carriers providing international air services. That is because these carriers are dependent upon foreign fuel which is not subject to the United States price control mechanism. Airplanes which fly to foreign and overseas destinations must buy fuel there to continue their flights or to return, and prices abroad now charged have reached intolerably high levels.

Further, most United States international airlines use "bonded" fuel for United States originating flights, and some are almost entirely dependent upon this type of fuel. Bonded fuel has not been made subject to price controls and the prices for it, too, have almost trebled in 1 year. The FEO—Federal Energy Office—has recently proposed regulations which may ameliorate that problem but their implementation is still to come. Even if such implementation is fully carried out, however, the problem of fuel prices still remains acute because there is no way for the United States to impose price controls on foreign fuel. Carriers such as Pan American and TWA are heavily dependent upon such fuel—in Pan American's case such fuel purchased in foreign countries constitutes 53 percent of its total requirements in 1973.

Using May 1973, as a base index of 100, prices in Paris, Berlin, Frankfurt, and London had reached indices in early February 1974, of 229, 210, 235, and 234, respectively. Per-gallon costs at some points have reached incredible proportions: New Delhi—88.42 cents, Ankara—62.58 cents, and Casablanca—65.90 cents. What is even worse, foreign prices are expected to rise, not recede.

The jeopardy to the national interest is most serious. The preservation of our U.S.-flag certificated operators is vital to our own best interests. Thousands of jobs are at stake and the balance of

payments is importantly affected through the ability of these U.S.-flag carriers to earn foreign currencies and to sell their services abroad. The continuance of the dominant sales position of U.S.-built aircraft and parts on a worldwide basis would be most adversely affected by a dismantling of these air services. The Postal Service on which so much of the economic and cultural activity of our country depend would be crippled, and our vital national defense interest would be most seriously jeopardized if such a dismantling took place. The ability of civilian foreign and overseas air services to serve our Military Establishment in the event of national emergency with reserve equipment, with trained operating know-how, and as an instrument of national policy where required are crucial to our own well-being and survival as a world power.

National policy simply does not permit the loss of this important asset of our Nation; or the alternative of either turning over the bulk of foreign air transport to foreign carriers—largely owned or supported by foreign governments—or of reliance upon slow surface ocean shipping.

The continuance of the international air transport system of the United States, therefore, requires the speedy enactment of section 410(b).

THE ECONOMY AND THE PRESIDENCY

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

Mr. KOCH. Mr. Speaker, this statement is addressed to our Nation's business and financial leaders—many who undoubtedly do not share my party affiliation or liberal views. But that is of no moment since the issue here is not a partisan one. The issue is the country's economic strength in which we all have a stake.

The current high rate of inflation is one of the most serious problems Americans face. The fiscal and monetary bureaucrats can still sit astride the beast but they clearly are not in control. The result is uncertainty based on the Federal Government's failure to develop and articulate a coherent policy toward the country's economy. Even now during an economic slowdown, the consequences of inflation keep credit demand and costs high and the forecast for the latter part of 1974 promises even more inflationary problems.

The Federal Government is likely for a combination of political motives to maintain an "inflationary tilt" in its fiscal and monetary policies. How can we expect a President under threat of impeachment—whose conduct and language has so demeaned his Office and destroyed his credibility—to provide the leadership necessary to deal effectively with inflation, recession, energy shortages, international monetary policy, and related problems.

Surely our business and financial leaders must see that the absence or dis-

trust of Presidential leadership is the gravest threat to our country's economic well-being. Whatever their private views on Watergate may be, I hope they will come forward now and urge that the President either resign or abandon his divisive and obstructionist tactics with respect to impeachment proceedings.

These are able and powerful men—many of them live or work in my own congressional district—and though they have no constitutional or statutory responsibility in the present crisis, their individual and collective voices have enormous influence. It is time they were heard—for the sake of their shareholders, their depositors, their employees and most important, for the sake of America's future and the peace and prosperity which Richard Nixon seems willing to sacrifice in order to save himself.

I have sent a copy of these remarks to a number of business and financial leaders in my congressional district. I hope my colleagues will make a similar appeal to their respective business communities.

ADMIRAL MOORER IS COMING HOME

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

Mr. NICHOLS. Mr. Speaker, as every Member of this body is well aware there are forces today both domestic and throughout other parts of the world who would like to see a reduction of military strength in the United States. I am sure that some Members of this body are genuinely sincere in their belief that we have indeed achieved the beginning of an era of peace in the world, and for this reason they would counsel major reductions in appropriations which go to prepare for the adequate defense of this country.

But there are other forces, Mr. Speaker, throughout the world who would like nothing better than to see America become a third-rate military power and I am oftentimes apprehensive lest this doctrine be followed by those of us who have the responsibility for defending the greatest country on the face of this Earth.

In these turbulent times we need, more than ever, men of integrity, men of credibility, and this Nation is indeed fortunate to have such a man in Adm. Thomas H. Moorer, Chairman of the Joint Chiefs of Staff.

Admiral Moorer is the very epitome of credibility, and his testimony time and time again before the House and Senate Armed Services Committees has been impeccable.

Admiral Moorer is a Navy man in the finest tradition. His leadership and deep sense of devotion to his country reflecting a quarter century of command and association with world leaders engenders confidence and faith in him among both the military and civilian leaders throughout the world. In this day when our image is so important the admiral is a man of unfaltering kingly bearing complemented by the genuine warmth and humility of his native southland.

Admiral Moorer was appointed to his present position in 1970; was reappointed in 1972, and by every yardstick of measure he is deserving of being extended.

Admiral Moorer's nobility of character and his deep sense of devotion to his country exemplifies the finest qualities of America. I am pleased to join other Members of this body in strongly recommending to the administration that this outstanding military leader and great patriot be retained in his present command as Chairman of the Joint Chiefs of Staff.

I insert the following article:

[From the Birmingham (Ala.) News, Mar. 24, 1974]

THE ADMIRAL IS COMING HOME FROM "SEA"

(By James Free)

WASHINGTON.—He's too busy to think much about it now, but some time after Adm. Thomas H. Moorer's second two-year term as Chairman of the Joint Chiefs of Staff expires on June 30, he wants to take his first vacation in seven years.

"A good part of that long-postponed vacation will be spent back home in Alabama," said Moorer in an interview. "That's where our roots are." (Moorer was born at Mt. Willing, Ala., 62 years ago, and his family also lived in Montgomery. His wife, the former Carrie Ell Foy, is from Eufaula, and their legal address is listed as 402 Barbour Street, Eufaula.)

"There are many things that I look forward to doing when I have the time to spare," he said. "I won't be bored. I'm way behind with my three favorite kinds of recreation: fishing, hunting and golf."

His first order of business after his tour as Chairman of the Joint Chiefs, Moorer continued, will be putting his official records in order for the Naval Historical Center and the counterpart division of the Department of Defense.

Moorer was appointed Chief of Naval Operations in 1967, after commanding, in turn, the Pacific Fleet, and the Atlantic Fleet along with North Atlantic Treaty Organization naval forces. His elevation to the highest command the nation can bestow—his present position—came in 1970. (Under present law, the Joint Chiefs Chairman can serve only four years. The Chiefs of the individual armed services serve two-year terms, and can be re-appointed only once.)

Moorer's years of top leadership in the Navy and with the Joint Chiefs covers most of the country's longest war, in Vietnam, and a period of drastic changes in the size of our armed services, and in the weapons and kind of combat involved.

That is one reason why his official records will be important to future students of naval and military operations. "I really have had little chance to look over the materials in my rather voluminous files," said Moorer. "The task probably will take several months."

The Admiral said he has no plan for writing an autobiography or a book of memoirs. "When I get through with reviewing the record I think I'd want to get away from paperwork for a while."

Neither does he have specific plans for retirement years.

"We likely will do some travelling" he said, "but I know we will not change residences fairly often as we have done in moving to different assignments in the past. Carrie and I have moved 26 times, some of the locations we went to more than once. The longest we have ever been in one place is here, on my present assignment."

In the postwar period when many persons downgrade a career in the armed services, would Moorer recommend it to young men and women today?

"Assuming they had the physical and mental capacity," the Admiral replied, "I certainly would. There is the opportunity to associate with fine people, not only in this country but in other countries as well. And if one is technically oriented, there is the experience of working with the finest equipment."

"While I am partial to the Navy experience, there is a great variety of choices, also, in the Air Force, Army and the Marines. One will never make a great deal of money in the armed services, but there is a feeling of achievement and opportunity for service."

"I know there is a current tendency toward disrespect for those in authority. But it would be a disaster if young people stay away from careers in the government. And by that I mean not only the armed services and the federal government, but the state, county and city governments as well. The public should not only encourage such careers for young people, but also insist on proper recognition for all public servants."

Very shortly, the Navy will participate in sweeping mines, etc., in the Suez Canal, preparing it for re-opening to world commerce. The aim is not so much removing the mines, as in making sure that they are made harmless. "It will be a complex job," said Moorer, "but not nearly so complex as what we have done in clearing the port of Haiphong, North Vietnam."

When the Suez Canal is reopened the immediate effect, so far as seapower is concerned, will be to add to advantages that the Soviet Union already has in the vast Indian Ocean.

"The Soviet Navy," said Moorer, "uses ports in Somalia, Iraq and on the coastal islands, but its own nearest base has been in Vladivostok, some 8,000 miles distant. With Suez open, their distance problem is vastly reduced."

"Our nearest Navy base is Subic Bay, in the Philippines, which is 5,000 miles distant. That's why our budget request for \$29 million for improvements on the Island of Diego Garcia, almost in the center of the Indian Ocean, is so important. We propose to dredge what is essentially an atoll harbor, such as we sometimes utilized in the Pacific in World War II, to lengthen the runway and put in fuel storage facilities. The island is uninhabited, so there is no problem of displacement or community relations."

Moorer said he finds it difficult to understand why some newspapers and a few legislators are critical of U.S. arrangements with Great Britain for use of Diego Garcia for refueling and anchorage.

"There has been no outcry or criticism of the Soviets for their plans to simplify naval operations in the Indian Ocean," said Moorer. "But when the United States does something along the same line, there is great hue and cry. It is a strange double standard!"

"We are not building up a new fleet. We are not establishing any giant base. I doubt if any more than 500 men would be stationed there. As it is now, there is no place in the entire Indian Ocean where we can send ships or aircraft without permission from the host country on a case by case basis. That is unduly restrictive."

OIL PRICE INVESTIGATION FROM CARIBBEAN REFINERIES

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

Mr. MELCHER. Mr. Speaker, there may have been some instant profits made by some major oil companies that produced offshore crude oil and sent it to

Puerto Rico or elsewhere in the Caribbean for refining and brought back gasoline, diesel fuel, or heating fuel for sale in the United States.

The Cost of Living Council set price ceilings on crude oil produced in this country either onshore or offshore from the Outer Continental Shelf. It is roughly \$5.25 per barrel. On the theory of cost pass through the final retail price of gasoline or other products was allowed an oil company based on the average cost of crude oil plus other costs. The \$5.25 price for domestic crude is substantially lower than foreign crude oil prices resulting in lower prices for the refined product than if the products came from only high priced foreign crude oil.

I have had doubts that a two-tiered policy—where part of the oil going to a refinery is price controlled and part uncontrolled—would work because oil is by its very nature a slippery product hard to completely keep track of. If any product could ooze into and through a loop-hole, I felt oil would find it.

Such a condition may have existed, or still exists, in the case of \$5.25 crude oil produced from offshore oil lands shipped to Puerto Rico or other Caribbean refineries and the refined products from that oil sold in the United States for the same prices as if the oil had cost just as much as imported oil costing \$9 to \$18 per barrel.

That would indeed be instant profit, double your money by oil taking a Caribbean cruise.

I have asked the Federal Energy Office for an explanation, and the General Accounting Office to investigate if U.S. oil has been making such a trip and if any laws have been evaded or broken.

LESS MEN IN MILITARY SERVICE

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

Mr. LANDGREBE. Mr. Speaker, on Wednesday morning I was privileged to attend a briefing with the Secretary of Defense, Mr. Schlesinger. Among the vital information that was revealed to us, the most exciting was the fact we have now 1.4 million men less in the military forces than we had in 1968. To me, this is 1,400,000 more reasons why I should support President Nixon.

COMMON CAUSE AND CAMPAIGN REFORM

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

Mr. DENT. Mr. Speaker, I would like the gentleman from Maryland (Mr. GODE), who just finished speaking, to listen to my remarks. They are pertinent to the very subject he was discussing.

Mr. Speaker, as chairman of the Subcommittee on Election Reform, I served on a study group that worked for 2 years to provide this House with legislation 2 years ago. We came to the floor with a reform bill. I doubt if there is a single

Member of this Congress who has looked at that piece of legislation, because when we arrived on the floor for action, Common Cause had given its bill to two Members of this House. This House ignored the work of the subcommittee; it ignored the work of the full committee; and passed a bill that not 1 percent of the Members of this House knew what was in it.

Do the Members know what was buried in that Common Cause bill? Watergate and everything that smells from it. The Watergate incident came only because this House ignored the work of its committee.

Now, we have studied again. I have held hearings; my committee has held hearings for the last year and a half, and again we are stuck with a proposition that if I bring this proposition to the floor, any Member who voted for it ought to be driven out of the House physically and bodily.

Do the Members know what Common Cause wants? It wants to give us \$90,000 out of the Treasury for every candidate in the primary election; \$90,000 for a runoff and \$125,000 out of the Treasury of the United States for the general election. Setting aside the runoff, every Member of Congress who receives \$42,500 for his job, and a total of \$85,000 for 2 years, would get \$215,000 just to run for office. I do not blame the Members for applauding, it is the best thing that has ever happened to them.

But very seriously, the committee is not going to be stampeded. It is going to come here with the work done by the Democrats and the Republicans on the committee to give this House the kind of reform legislation we can live with. We are not going to be stampeded by anybody who wants to write our laws; anybody, especially those who receive a minimum, by their own account, Common Cause's own account—I have been invited to be a member, incidentally—of \$3,750,000 a year from its 250,000 membership at the lowest dues rate of \$15, and \$25 million at the highest dues rate of \$100 a year. Any figure between these limits received by Common Cause will amount to more than over 60 percent of the Congress spends to be elected to the Congress.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker on roll-call No. 123, H.R. 12412, the Foreign Disaster Assistance Act of 1974, I was unavoidably detained on the telephone and did not hear the call and was not present on the floor in time to vote.

I would like the RECORD to show that had I been present, I would have voted "No."

PERSONAL EXPLANATION

Mr. HUNT. Mr. Speaker, yesterday on the final passage of H.R. 69, the Elementary and Secondary Education Act, I was unavoidably detained. Had I been here, I would have voted "Aye" on the bill. I ask that the RECORD reflect that position.

IMMACULATA COLLEGE, NATIONAL WOMEN'S COLLEGE BASKETBALL CHAMPIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WARE) is recognized for 5 minutes.

Mr. WARE. Mr. Speaker, a few days ago, well-deserved congratulations were offered on the House floor to North Carolina State University, the NCAA basketball champion.

However, they are not the only national basketball champion. We in Pennsylvania are equally proud of our own national basketball champion. On March 23, in Manhattan, Kans., Immaculata College, located in my district, won the Association of Intercollegiate Athletics for Women basketball crown by defeating, 68 to 53, a fine team from Mississippi College for Women.

Incidentally, Immaculata also had an exciting final game, coming back from 15 points behind to edge William Penn College of Oscaloosa, Iowa, 57 to 55.

This is the third title in a row for the Mighty Macs. To coach Cathy Rush, to cocaptains Theresa Shank and Denise Conway, and to the entire team, I extend my congratulations for this outstanding achievement.

I also ask my colleagues from North Carolina to join me in urging a playoff between these two exciting national basketball champions.

VIETNAM VETERANS DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. CRONIN) is recognized for 5 minutes.

Mr. CRONIN. Mr. Speaker, tomorrow America observes for the first time Vietnam Veterans Day to honor the almost 7 million veterans of the Vietnam era. These veterans participated in what may have been the most psychologically grueling war in the history of the United States. Its physical toll was awesome—disabling over 340,000 vets.

Many of the vets from the Vietnam era experienced difficulty upon their return to the United States; employment opportunities have not been abundant and inflation has made the GI bill inadequate. The attitude of the American public, which can only be described as fear resulting from a lack of knowledge of the war, made it difficult for the veterans to adjust to the United States. In other eras, when our boys were greeted by a joyful country and gloried in America's pride of their victory. The end of the Vietnam war triggered no such excitement and jubilation. Instead, many vets were criticized for going to Southeast Asia, forced accusations of participating in atrocities, and are rumored to be drug addicts.

Traditionally America has honored her troops who put their lives in jeopardy in service to their country. The men and women who served in Vietnam are certainly deserving of the same respect. Congress has taken the leadership in engendering this respect by passing the legislation designating Vietnam Veterans

Day. We are also working on legislation to adjust educational benefits for Vietnam vets to keep pace with inflationary trends, as well as other bills designed to help all veterans. I urge every American to consider for a moment on Friday the contributions of the vets in Vietnam in helping to preserve democracy and the ideals of Americans everywhere, and to reflect upon their importance to all Americans.

TRADE WITH NATIONS OF AFRICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, I would like to insert for the thoughtful attention of my colleagues a list issued by the World Council of Churches in December 1972 containing the names of corporations directly involved in investment in or trade with South Africa, Namibia, Zimbabwe, Angola, Mozambique, and Guiné-Bissao. The list follows:

WORLD COUNCIL OF CHURCHES—DECEMBER 1972
(First list of corporations directly involved in investment in or trade with South Africa, Namibia, Zimbabwe, Angola, Mozambique and Guiné-Bissao)

In August 1972, the Central Committee of the World Council of Churches adopted the following resolutions:

"The World Council of Churches, in accordance with its own commitment to combat racism, considering that the effect of foreign investments in Southern Africa is to strengthen the white minority regimes in their oppression of the majority of the peoples of this region, and implementing the policy as commended by the Uppsala Assembly (1968) that investments in 'institutions that perpetuate racism' should be terminated:

"(a) instructs its Finance Committee and its Director of Finance:

"(i) to sell forthwith existing holdings and to make no investments after this date in corporations which, according to information available to the Finance Committee and the Director of Finance, are directly involved in investment in or trade with any of the following countries: South Africa, Namibia, Zimbabwe, Angola, Mozambique and Guiné-Bissao; and

"(ii) to deposit none of its funds in banks which maintain direct banking operations in those countries.

"(b) urges all member churches, Christian agencies and individual Christians outside Southern Africa to use all their influence including stockholder action and disinvestment, to press corporations to withdraw investments from and cease trading with these countries."

A first list of Dutch, Swiss, U.K. and U.S.A. corporations directly involved in investment in or trade with South Africa, Namibia, Zimbabwe, Angola, Mozambique and Guiné-Bissao is herewith published as a contribution towards the implementation of the above resolutions by the World Council of Churches, the member churches, Christian agencies and individual Christians.

This is a first list; it has been compiled from the following sources—

The Netherlands: Kairos Working Group. Switzerland: The book "Suisse—Afrique du Sud. Relations économiques et politiques" published by Centre Europe—Tiers Monde.

United Kingdom: Anti-Apartheid Movement—London, U.K.

United States: The periodical "Africa Today" published by Africa Today As-

sociates—founded by the American Committee on Africa.

We shall be grateful to receive additions and/or corrections.

December 1972, Department of Finance and Central Services.

WORLD COUNCIL OF CHURCHES—DECEMBER, 1972

(First list of corporations directly involved in investment in or trade with South Africa, Namibia, Zimbabwe, Angola, Mozambique and Guiné-Bissao

THE NETHERLANDS

AKZO, Berkel's Patent, Blydenstein-Willems, Bos Kalis, Grasso, Heineken, Hollandsche Beton, Internatio/Müller, Lindetevest-Jacobberg, Mulder's Rollend Materieel, Ned Scheepvaart Unie, Nijverdal-Ten Cate, Philips, Unilever, V.R.G.—Papier.

SWITZERLAND

AG Adolph Saurer, Alusuisse, Schweizerische-Aluminum AG, BBC, Aktiengesellschaft—Brown, Boveri & Cie., Ciba-Geigy, AG, Continentale Linoleum Union, Danzas AG, Basel, F. Hoffmann-La Roche & Co., Gebr. Sulzer Aktiengesellschaft.

Hasler Holding AG, Holderbank Financière—Glarus AG, Nestlé Alimentana + Unilac Inc., Oerlikon-Bührle Holding AG, Reisebüro Kuoni, Zürich, Sandoz AG, Schindler Holding AG, Schweizer Rück-Compagnie Suisse de Réassurances, Swissair, Zürich.

A.C.E. Machinery H., A.D. International, A. P. V. Holdings, Aaronson Bros., Aberdare Holdings, Aberdeen Constrc. Gp., Aberfoyle Plants, Acrow (Engineers), Adwest Group, Albright & Wilson.

Alkan (M. L.), Allen (Edgar) & Co., Allied Breweries, Allied Colloids Mfg., Allied Suppliers, Amalg. Metal Corp., Amalg. Power Engine, Anchor Chemical, Anderson Mayor, Armitage Shanks Gp.

Armstrong Equipment, Ashe Chemical, Aspro-Nicholas, Assoc. Biscuit Mnf., Assoc. Book Publish., Assoc. Engineering, Associated Portland Cem., Automotive Product, Averys.

B.B.A. Group, B.P.B. Industries, BTR, Babcock & Wilcox, Baird (Wm.) & Co., Baker Perkins Hlds., Baring Bros. & Co., Barrow Hepburn Gp., Barton & Sons, Bassett (Geo.) Hlds.

Beales (J.) Ass. Cos., Bear Brand, Beaumont Properties, Beautyline, Beecham Group, Beralt Tin and Wolfram, Berger, Jenson & N. Bestobell, Bifurcated Engin., Birmid Qualcast.

Black & Edginton, Blackwood Hodge, Blundell Permoglaze, Bolton Textile Mill, Bond Street Fabrics, Bonchord, Boosey & Hawkes, Bovril, Bowater Corporation, Bowring (C. T.) & Co.

Bowthorpe Holdings, Brent Chemical, Brit. Amer. Tobac. Inv., Brit. & Comwth. Ship., Brit. Elec. Traction, Brit. Ins. Callenders', British Leyland Mtr., British Match Corp., Brit. Mohair Spinners, British Oxygen Co.

British Petroleum, British Printing Corp., British Ropes, British Steel Construct., British Steel Piling, British Vita Co., Brockhouse (J.), Brooke, Bond Leibig.

Brown Bayley Steels, Brown (David) Corp., Brown (John) & Co., Bulmer (H. P.), Bunzl Pulp & Paper, Burmah Oil, Burns-Anderson, Bydand.

C.C.L. Systems, Cadbury Schweppes, Caledonia Invests., Canning (W) & Co., Caravans Internat., Carpets Internat., Cavenham, Centrovincular Estates, Chamberlain Phipps.

Charter Consol., Charterhouse Group, Chloride Elec. Stor., Chrysler Corporation, Chrysler U.K., Chrysler Overseas, Chubb & Son, Clarke, Chapman-John Thompson, Clarke, Nicholls & Coombs, Clarkson Inter. Tools.

Clayton Dewandre, Clayton, Son & Co., Coates Bros. & Co., Coats Patons, Cohen (A.) & Co., Cohen (G.) 600 Grp., Collett (J.), Collins (W.) Sons & Co., Comm'l. Un'n Ass. 30, Commonwealth Dev. Finance.

Cons. Gold Fields, Consol. Tea & Land, Cons. Tin Smelters, Cope Allman Internl., Cory (Wm.) & Son, Costain (Richard), Court Line, Courtaulds, Crabtree Electrcl. Ind., Crittall-Hope Eng., Crown House, Cussons Group.

Davidson & Co., Davy Ashmore, Dawson & Barfors, Dawson (J.) Holdings, Decca, Delta Metal Co., Derby Corporation, Desoutter Bros., Dickinson Robinson, Distillers, Dorman Smith Hldgs., Doulton and Co., Dowty Group, Drake & Cubitt Hldgs., Dunlop Holdings, Duport.

EMI, E.R.F. (Holdings), Eagle Star Insurance, East Rand Consd., East Sussex Eng., Ebonite Container, Elect. & Indus. Secs., Ellerman Lines, Elliott (B.) & Co., Emu Wool Industries, English Calico, Eucalyptus Pulp Mills, Evans of Leeds, Eveready S. Africa, Ever-Ready (G. Brit.).

Fairey Co., Fenner (J. H.) Co., Ferranti, Finlay (James) & Co., Firth Cleveland, Firth (T.) & J. Brown, Fisons, Fodens, Foseco Minsep, Fram Group, French (Thomas), French (W. & C.).

Gany, General Accid. Fire, General Electric, General Motors Corp., Gestetner Holdings, Gibbs (A.) & Sons, Gill & Duffus, Glaxo Group, Glynwed, Goblin (B. V. C.).

Goode, Durrant & M., Great Universal Stores, Greening (N.) & Sons, Green's Economiser, Gripperods Holdings, Griqualand Expl. & F., Guardian Ryl. Exchange, Guest, Keen & Nettle, Guest, Keen & Nettle (Overseas), Guest, Keen & Nettle, (U.K.), Guthrie Corporation.

Hall Engineering, Hall Thermotank, Haldstead (James) (Hld.), Hammond (L.) Holds., Hampton (C. & J.), Hargreaves Group, Harris & Sheldon Gp., Harrisons & Crosfield, Hawker Siddeley Group, Hazell (Quinton), Head, Wrightson, Henderson (P.C.).

Herbert (Alfred), Heywood Williams Gp., Hickson & Welch, Hield Brothers, Highams, Hill Samuel Group 31, Hopkinsons Hldgs., Howden (Alex) Hldgs., Hudson (Robert), Hudson's Bay Co., Hunslet (Holdings), Hunting Gibson, Hutchinson.

Illingworth Morris, Imperial Chemical, Imp. Tobacco Group, Inchcape & Co. Indust. & Comm. Fin., Inter. Combus. Africa, Inter. Combust., Int. Compressed Air, Int. Computers (Holdings), Int. Distillers & Vint., International Paint.

Jacks (William) & Co., Jessel Securities, Johnson, Matthey, Johnson-Richards.

Kangol, Kent (George).

L.R.C. International, Laing (John) & Son, Laird Group, Lamont, J. H.) & Co., Lamson Industries, Laporte Indust. (Hld.), Laurence, Scott, Lead Industries Group, Legal & General Ass., Lep Group, Limmer Holdings, Lindus tries.

Lisbon Electric Trams, Lister & Co., Lloyd (F.H.) Hldgs., Lloyds & Scottish, Locker (Thomas), Lockwoods Foods, Ldn. Merchant Secs., London Shop Prop., Lonrho, Low & Bonar Group, Lucas (Joseph) Ind.

Manbre & Garton, Manders (Holdings), Marchwiel Holdings, Marks & Spencer, Marley, Marshalls (Halifax), Mather & Platt, Matthews Wrightson Holdings, May & Hassell, Melbray Group, Mercury Securities, Metal Box Co.

Metal Box Overseas, Metal Closures, Midland Aluminum, Minet Holdings, Mitchell Construction, Mitchell Cotts Group, Monotype Corp. Montagu Trust, Morgan Crucible Co., Murray (D. & W.).

Nairn-Williamson, Negretti & Zambra, Neill (James) Hldgs., Newey & Taylor, Newman-Tonks, Newton Chambers, North (James) & Sons, Norvic Shoe, Norwest Holst.

Orex Group, Oldham Internl., Orion Insurance, Osborn (Samuel), Ozalid.

Page-Johnson Build., Parkinson Cowan, Peare Assurance, Pearson (S) & Son, Pegler (Hattersley), Peninsular & Oriental, Pernall, Phoenix Assurance, Photo-Me Internl.

Pilkington Brothers, Pitman (Sir Isaac), Plesey Co., Portal Holding, Powell Duffry, Pow-

Pratt (F.) Engineering, Price Forbes (Hldg.), Pritchard Cleaners, Provincial Insurance.

R.C.F. Holdings, R.F.D. Group, Racal Electronics, Randalls Group, Rank Organisation, R'ks Hovis McDougal, Ransome Hoffman Pollard, Ransomes Sims and Jeff, Reckitt & Coleman.

Redland, Reed International, Reeves & Sons, Renold, Rentokil Group, Revertex Holdings, Reyrolle Parsons, Rio Tinto Zinc Corp., Rotafilex (G.B.).

Rotary Hoes, Rotork, Rowntree Mackintosh, Royal Insurance, Royal Sovereign Pencil, Ruberoid, Runciman (Walter), Rush & Tompkins Gp.

S.G.B. Group, Sadis, Sagit Trust, Sale Tilney & Co., Salter (George), Samuel Properties, Sandeman (Geo. G.), Sanderson Kayser, Sanderson, Murray & Elder Hlds., Scapa Group, Seddon Diesel Veh.

Selection Trust, Selnacourt, Sena Sugar Estates, Serck, Shell Transport & T., Showers V.P. & W., Sheffield Twist Drill, Siebe Gorman Hldgs., Slemssen Hunter, Simon Engineering, Sirdar.

Slater, Walter, Secs., Slater, Walker, Sec. (South Afr., Smith & Nephew Ass., Smith & Wellstood, Smiths Industries, Somic, S. African Distilleries, South West Africa, Spear & Jackson Int., Spillers, Staflex International, Staplegreen Ins. Hlds.

Staveley Industries, Steel Group, Steetley Co., Stenhouse Holdings, Stocklake Holdings, Stone-Platt Indust., Storey Brothers, Stothert & Pitt, Stroud Riley & Co., Sun Alliance & London, Sunley (Bernard) Inv., Swan Hunter Group.

T.P.T., Tanganyika Concess., Tarmac, Tate & Lyle, Taylor, Woodrow, Tecalemit, Telephone Rentals, Thomson Organisation, Thorn Elect. Indus., Tilling (Thomas), Tobacco Securities, Towles.

Tozer, Kemsley & M., Trafalgar House Inv., Transport Develop., Trust Houses Forte, Tube Investments, Turner & Newall.

Unigate, Unilever, Union International, Utd. City Merchants, Utd. Dominions Trust, Utd. Wire Group, Univ. Grinding.

Vantona, Vickers.

Walker Croswell, Ward & Goldstone, Weir Group, Wellcome Foundation, Wellman Engineering, West (Allen) & Co., Westinghouse Brake, Whessoe.

Whitbread & Co., Wiggins Teape Wilkes (James) Wilkinson Sword, Willows Francis, Wills (Geo.) Hldgs. Wilmot-Breeden (Hld.) Wimpey (George).

Winget Gloucester, Wiseman (M.) & Co., Witter (Thomas), Wolf Elec. Tools, Wood Hall Trust, Woodall-Duckham Woodhead (Jonas) Woolcombers (Hldgs.).

Yarrow & Co.

UNITED STATES

Abbott Laboratories, Addressograph-Multigraph, Allied Chemical Corp., Allis-Chalmers Corp., Amer. Cyanamid Co., American Express, American Home Products, American Metal Climax.

American Motors Corp., Ampex Corp., Anderson Clayton & Co., Armco Steel Corp., Armour, Ashland Oil, Inc., Atlantic Richfield Co., Automated Building Components.

Baxter Laboratories, Beckman Instruments, Black & Decker Mfg. Co., Boeing Co., Booz, Allen & Hamilton, Inc., Borden, Inc., Borg-Warner Corp., Bristol-Myers Co., Bucyrus-Erie Co., Burlington Industries, Burroughs Corporation.

Carnation Co., Caterpillar Tractor Co., Celanese Corp., Champion Spark Plug Co., Chesebrough-Pond's Inc., Chicago Bridge & Iron, Chicago Pneumatic Tool, Chrysler Corporation, Cities Service Co.

Clark Equipment Co., Clark Oil & Refining, Coca-Cola Co., Colgate-Palmolive Co., Collins Radio Co., Combustion Engineering, Continental Corp., Control Data Corp., Crane Company, Crown Cork & Seal Co., Cutler-Hammer, Inc.

Dart Industries, Deere & Company, Del Monte Corp., Donaldson Co., Dow Chemical, Dun & Bradstreet Inc., du Pont (E. I.) de Nemas.

Eastman Kodak Co., Emery Air Freight Corp., Engelhard Minerals & Chem.

Factor (Max) & Co., Cl A, Ferro Corporation, Firestone Tire & Rubber Co., F.M.C. Corp., Ford Motor Co.

Gardner-Denver Co., General Electric Co., General Foods Corporation, General Motors, General Tire & Rubber, Gerber Products Co., Getty Oil Co., Gillette Co., Goodyear Tire & Rubber, Grace (W. R.) & Co., Grolier Inc., Gulf Oil Corp.

Halliburton Co., Harnischfeger Corp., Helena Rubinstein Inc., Heller (Walter E.) Int'l., Hewlett-Packard Co., Holiday Inns Inc., Honeywell Inc., Hoover Co., Hyster Company.

I N A Corp., Ingersoll-Rand Co., Inmont Corp., Int'l. Bus. Machines, Int'l. Flavors & Fragrances, International Harvester, Int'l. Minerals & Chem., International Tel. & Tel., Interpublic Group of Co.'s Inc., ITT.

Johns-Manville Corp., Johnson & Johnson, Joy Manufacturing.

Kaiser Industries Corp., Kellogg Co., Kimberly-Clark Corp.

Lilly (El.) & Co., Litton Industries Inc., Lykes Youngstown Corp.

Maremont Corp., Masonite Corp., McGraw-Hill, Inc., McKee (Arthur G.) & Co., Merck & Company, Metro-Goldwyn-Mayer, Miles Laboratories, Inc., Mine Safety Appliances Co., Minnesota Mining and Mfg., Mobil Oil Corp., Monsanto Co., Moore & McCormack Co., Motorola, Inc.

NaCo Chemical Co., National Cash Register, Newmont Mining Corp., Norton Company.

Oak Electric-Netics, Ocean Drilling & Exploration, O'okiep Cooper Co., Otis Elevator Co., Owens-Corning Fiberglas, Ozite Corp.

Pan American World Airways, Parker Pen Co., PepsiCo, Inc., Pfizer, Inc., Philip Morris, Inc., Phillips Petroleum, Pioneer Systems, Polaroid Corporation, Procter & Gamble Co., Publishers Co., Inc.

Revlon Inc., Richardson-Merrell, Inc., Robertson (H.H.) Co., Rockwell Manufacturing Co., Rohm & Haas Co.

St. Regis Paper Co., Schering-Plough Corp., Schlumberger Ltd., Scholl, Inc., Scripto, Inc., Searle (G.D.) & Co., Simplicity Pattern Co., Singer Co., Skelly Oil Co., Smith (A.O.) Corp.

Smith Kline & French Lab., Sperry Rand Corp., Squibb Corp., Standard Brands Inc., Standard Oil Co. of California, Standard Pressed Steel Co., Sterling Drug, Inc., Sun Oil Company, Sybron Corp.

Tampax Incorporated, Tenneco, Inc., Texaco, Inc., Thompson (J. Walter) Company, Tidewater Marine Service, Timken Company, Tokheim Corp., Trans World Airlines, TRW Inc., Twentieth-Century Fox Film (aa).

Union Carbide Corp., Uniroyal, Inc., United Aircraft Corp., United Artists Theatre Circuit, U.S. Industries, U.S. Steel Corp., Universal Leaf Tobacco, Upjohn Company.

Van Dusen Air, Inc., Vendo Company.

Warner-Lambert Co., Westinghouse Elec. Corp., Weyerhaeuser Co., White Motor Corp., Woolworth (F. W.), Woolworth (F. W.) Ltd. ADR.

This first provisional list is certainly incomplete, not only in that it covers only four countries but also as to the Corporations listed in respect of those four countries.

It is foreseen that supplementary lists and, if necessary, corrections, will be issued from time to time as further information is secured.

LABOR—FAIR WEATHER FRIEND— XVII

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, Organized labor is like any other human organization; it is made up of individuals. Some are good—in fact the vast majority are good, decent, law-abiding people who want only to work and be decently paid, to live a decent life, and have their rights respected. A few are not so good.

I am reluctant to judge any one of my fellow human beings, because I know I have my own share of failings. But yesterday I was discussing the strange forgetfulness of Franklin Garcia, who seems always to be at the center of things when labor folks get together in San Antonio. That is not to say Franklin is the master of labor's San Antonio house. That would be far from the truth. But he seems always to be in the middle of a few who utter vague charges about what I have not done lately. This has been going on for about 3 years now, and I have not said anything about it.

My friends in the labor movement say that when old Franklin starts out on these diatribes they ask him for some specifics, but none are forthcoming, so they really don't pay much attention to Franklin's charges, and I have not either.

Now I do not deny the right of anybody to say whatever he thinks, because that is a privilege that I exercise regularly. But what I cannot understand is that when I run into Franklin Garcia, as I do on occasion, he seems very friendly—like a long-lost brother. Then later on, I hear that he has been throwing verbal knives in my direction.

So why is it that this guy exudes warmth and friendship when we meet face to face? It seems hypocritical for old Franklin to be so nice one day, to my face, and to go out the next day and use all his strengths and skills to embarrass and undermine me. That is behavior that I cannot understand in anybody, in or out of labor.

If Franklin is really my friend, he will use his power and influence in the Labor Council for Latin American Advancement to retract its lies about me. But I know that in a recent meeting of the four or five guiding spirits of that organization, he made no such effort in my behalf. No, far from it. Good old Franklin, who likes to be friendly when he sees me in public places, just went right along and told his pals that I was no good, as has been his private custom for these many years.

There is an old maxim that actions speak louder than words. I have heard warm sounds from Franklin Garcia, but his private actions belie all that. I will know that he is a friend when he does more than just say so.

POSTCARD REGISTRATION—WILL IT REALLY HELP?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HOLIFIELD) is recognized for 5 minutes.

Mr. HOLIFIELD. Mr. Speaker, we will soon be asked to vote on H.R. 8053,

the Voter Registration Act. As you know, this bill would establish a postcard registration system for Federal elections with registration forms automatically distributed by the Postal Service to all postal address residents in the United States at least once every 2 years.

I have read the committee's report on H.R. 8053 and discussed the bill with officials of Los Angeles County. Our county board of supervisors have grave reservations about the probable adverse effects which this bill will have on the election process in Los Angeles County. The National Association of Counties has passed a resolution in opposition to the bill.

The report of the committee does not include an estimate of the costs involved in the proposed postcard registration system. The bill would authorize \$50 million, presumably for the first year of operation. I note, however, that the additional views included within the report carry estimates much higher than \$50 million.

Mr. Speaker, I commend the Committee on House Administration for the desire to liberalize voter registration and to increase participation in the election process. While H.R. 8053, if enacted, might possibly make some improvement in a few States, I do not believe that it will help us in California where our problem is simply voter apathy.

We have a system by which almost anyone can become a deputy registrar. These deputy registrars have a double incentive to register the maximum number of voters. In addition to their interest in a particular political campaign they are actually paid a small sum for each person registered. They go door-to-door, they are familiar with the forms, and they assist the elderly and those who are not proficient in English in completing the registration forms.

The 1972 primary and general elections were more intensely worked than any elections that I can remember, especially by the McGovern forces. I know of people who were personally contacted at home at least three times. Organized labor and other organizations carried out intensive registration drives.

In spite of this effort, Mr. Speaker, only 69 percent of the voting age population in my district registered to vote. Because of the problems pointed out by the Los Angeles County Board of Supervisors, many of those would, I fear, find themselves disenfranchised on election day due to erroneous or incomplete forms.

Mr. Speaker, I am afraid that H.R. 8053 will hurt the very people that it is intended to help. The minority groups, the illiterate and semiliterate who are at the bottom of the economic heap and whose voices need to be heard on election day. I agree with the Los Angeles County Board of Supervisors that we would perhaps accomplish much more by giving the money we will spend on a postcard system to the counties and States so that they can operate a person-to-person registration system such as California's.

I insert the position of the Los Angeles County Board of Supervisors and the

resolution of the National Association of Counties in the Record at this time:

DEPARTMENT OF REGISTRAR—RECODER,
Los Angeles, Calif., March 21, 1974.
Hon. CHET HOLIFIELD,
Representative in Congress, House Office
Building, Washington, D.C.

DEAR CONGRESSMAN HOLIFIELD: I wish to express my concern to you regarding House Resolution 8053, Federal Postcard Registration Act.

The Los Angeles County Board of Supervisors has adopted a position to oppose postcard registration on three occasions, July 23, 1973, January 8, 1974, and February 26, 1974. Enactment of H.R. 8053 would create serious problems as discussed below:

1. CONFUSION TO THE VOTER

There are over three million voters already registered in Los Angeles County. Since H.R. 8053 provides for mailing postcards to each household, persons would receive a card regardless of whether they were registered or not. Receipt of the cards would create confusion for the registered voter who would not know whether or not he should return the card in order to be registered for both federal and state elections. Each incoming card, furthermore, would have to be checked to insure that a voter was not registered twice. Double listings could result in potential fraud, duplicate mailings of sample ballots, double mailing of campaign literature, and unnecessary costs.

An especially important consideration is that a prospective voter could mail a federal postcard to an election official and assume he would be eligible to vote for state and local as well as federal elections. This confusion could exist until the voter arrived at his polling place on election day and discovered that he was eligible to vote for federal races only.

2. DUAL FILE

The creation of a dual file, necessitated by implementation of the federal bill, would create administrative problems in the revision of computer programs and extensive testing to insure that election registration and tabulation files are free from error and fraud. Federal election registrants would have to re-register at least every two years, while state and local registration is permanent. Although state law might eventually be brought into conformance with the federal law, there is no assurance as to when this might happen.

It is estimated that over five million federal postcards will be distributed by the postal service in Los Angeles County. This assumption is based on the fact that 1970 Census figure projected to January, 1973, showed that there were 2.5 million households in Los Angeles County. Delivery of at least two postcards per household would result in five million postcards mailed.

3. VOTER DISENFRANCHISEMENT

This great volume of postcards for Los Angeles County would have to be handled by computer in order to assign voters to one of the 8400 voting precincts. The name and complete address of the voter, including street number, direction (North, South, East, West), apartment number, correct designation (street, avenue, place, road, etc.), town and zip code, must be given on the card or it is rejected by the computer.

Transposition of street numbers in an address can make an enormous difference in the voting area to which a voter is assigned. Our experience with self-executed change of address cards submitted to us for processing reveals an error factor of approximately 35 percent. These errors occur because the cards are illegible, incorrect, or incomplete.

Costs escalate rapidly when a record has to be manually processed because of incorrect data. If any discrepancies are not

resolved before election day, voters are disenfranchised. In many instances, the problem might be resolved too late to notify the voter of the polling place where he can cast his ballot.

The absence of a deadline for transmittal of postcards to the election officials would undoubtedly mean that a majority of the responses would be received very close to the election when interest in candidates and issues is at its peak. Receipt of tens of thousands of postcards to be cleared during a period when major election functions are being performed, such as sample ballot mailing to 3.5 million voters, supplying 8400 polling places and precinct officers with election day equipment and supplies, preparation of ballot materials for use on election day, will have an adverse effect on the conduct of an election.

The Los Angeles County Board of Supervisors and this department favor programs to achieve maximum voter participation, but the possibility of voter confusion and administrative defects with H.R. 8053 would probably result in decreased voter participation. Voter confusion on election day will create an obstacle to voting rather than strengthening the electoral process.

In my opinion, the funds authorized to carry out the provisions of H.R. 8053 could be better spent by subsidizing improved voter registration programs in the 50 states. Los Angeles County is considering various alternatives to provide additional registration services in low registration areas, in densely populated areas, and high traffic areas, to name a few. Voter registration is one of our primary responsibilities and we are constantly searching for ways to improve this service to the voters of Los Angeles County.

To summarize, voter confusion, administrative chaos, and voter disenfranchisement are the primary reasons for which I urge and request your opposition to this bill.

Very truly yours,

LEONARD PANISH,
Registrar-Recorder.

RESOLUTION—VOTER REGISTRATION BY MAIL
(Adopted by the National Association of
Counties on July 25, 1973)

The United States Senate has passed legislation entitled the Voter Registration Act (S. 352) establishing a national voter registration administration and requiring voter registration through the mail. The legislation currently is being considered by the House Committee on Administration.

The legislation as passed by the U. S. Senate would:

1. establish new federal agency within the U. S. Bureau of the Census to administer a voter registration program, collect and analyze information concerning elections and provide assistance to election officials concerning registration and election problems;

2. provide registration forms to be sent through the U.S. Mail to be returned to State, County and Local registrars for processing;

3. authorize funds to cover the costs of the mail registration process.

The rationale for this legislation appears to be based on a premise that registration is an obstacle to voting. It is estimated that almost 80% of the qualified voters presently are registered. Legislation would attempt a 100% registration. The legislation is aimed therefore at a few states although it will affect all states across the board.

County officials want to commend the authors of this legislation for their interest and concern in liberalizing voter registration. We share these same goals. However, we are concerned that the legislation does not meet the real needs and creates additional problems. We believe emphasis should be placed on developing minimum standards for registration and conduction of elections for federal, state

and local elections. The office of federal elections is conducting research on voter registration procedures; state experimentation on voter registration by mail has begun, local initiative in developing alternative methods of reaching potential voters is increasing. Legislation at this point is premature.

In addition to this concern, NACO has specific problems with the legislation which includes:

1. Potential for disorder, and confusion at the polls is very great;
2. This chaos would cause disenfranchisement of eligible voters;
3. Unnecessary duplication of registration processes for persons already registered will lead to greatly increased costs;
4. Increased costs can also be foreseen in pre-election preparation and the election day process itself.
5. Possibilities of fraud are unlimited.
6. The election process is rendered more vulnerable to political mischief.

The National Association of County Recorders and Clerks consists of election officials from many states. They deliberated these matters at length and urged NACO to adopt this resolution.

FOREIGN INVESTMENT STUDY ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. CULVER) is recognized for 5 minutes.

Mr. CULVER. Mr. Speaker, I rise today to introduce the Foreign Investment Study Act of 1974.

In January and February of this year the Subcommittee on Foreign Economic Policy, which I chair, held hearings on foreign investment in the United States. The purpose of those hearings was to determine the extent of foreign investment in this country, its impact on the economy, and the need for a national policy. The hearings made it unmistakably clear that existing information on foreign investment is wholly insufficient and that, therefore, it is impossible to determine its implications for the United States with any degree of precision, or to set a rational policy course.

The inadequacy of existing information is demonstrated by the fact that the Department of Commerce places total direct foreign investment in the United States at the end of 1972 at \$14.5 billion, whereas a recently conducted academic study on this subject estimated that direct foreign investment in manufacturing, mining, and petroleum alone was \$38 million. To cite another instance of conflicting data, when the subcommittee commenced its hearings in January, the Government was saying that the increase in direct foreign investment in the United States during 1973 was around \$1.5 billion. In early February this estimate was raised to the \$2 billion range. In contrast, in the middle of February the Conference Board, a prestigious business research organization, reported that latter figure of \$2 billion for the 9-month period March through November of 1973 alone.

The difficulty in obtaining information on foreign investment in the United States was pointed up by Mr. Del van

Horn, director of the Iowa Development Commission. All "foreign"—non-Iowa—corporations are required to file an annual report with the Secretary of State. There is nothing on the form to indicate whether or not a particular investment originated from within or outside the United States. In searching through the 5,147 reports, it was determined that 28 of the companies appeared to have some ownership from outside the United States, whereas the list of foreign investors that is made public by the Department of Commerce shows only two corporations in Iowa that are foreign controlled. However, the method of determining foreign interest is so inadequate and unreliable that the numbers could be radically different and in fact are currently quite meaningless.

Peter Flanigan, executive director of the Council on International Economic Policy, testified before the subcommittee that the administration's policy toward foreign investment was one of neutrality—neither encouragement nor restriction. However, given the existing state of information, we have no concrete body of evidence upon which our Government can properly base an informed judgment on this issue.

The past year has witnessed expressions of citizen concern from various parts of the country. The Midwest has been rampant with rumors of foreign purchase of large agricultural holdings and transportation facilities. Investigations by various sources have neither confirmed nor fully dispelled these rumors. Concern has also been raised over the foreign acquisition of large American corporations such as Texagulf and Gimbel's, and over foreign penetration of U.S. natural resources, such as timberland and coal mines. The administration's open-door policy has failed to give adequate consideration as to whether or not these various expressions of citizen concern are legitimate or fanciful.

Another finding of the hearings was the hodgepodge of State and Federal restrictions on foreign investment. At different times during this country's history, and to different degrees, foreign ownership has been restricted in communications, air transportation, atomic energy, hydroelectric power, and various kinds of shipping. Moreover, the various States regulate foreign investment in land, banking, and insurance to varying degrees. Consideration must be given to the need and feasibility for consistent and/or coordinated State and Federal policies toward foreign investment.

The last benchmark survey on direct foreign investment was undertaken by the Department of Commerce in 1959. The foregoing exposition is evidence of the vital need for an in-depth study of foreign investment in the United States.

The Foreign Investment Study Act of 1974 would provide for such a survey. It would direct the President to: First, collect information on foreign investment in the United States; second, appraise the implications for the United States; third, compare the policies of other na-

tions toward foreign investment; fourth, review existing State and Federal regulations; fifth, evaluate alternate policies toward foreign investment; and sixth, consider the international implications of those alternate policies.

Whereas the 1959 benchmark survey concentrated mainly on direct foreign investment in manufacturing, this survey would also include portfolio investment and investment in agriculture and natural resources. As to the specifics of the survey, the bill would include investigation of: the nature and rate of foreign investment; motivations for and the processes of foreign investment in the United States; impact on specific geographic areas and economic sectors and on employment and personnel practices. Finally, the bill would require a report on the adequacy of the existing collection of information on foreign investment and the desirability of establishing an annual reporting requirement and releasing more information into the public domain.

An interim report would be due 1 year after enactment of the bill and a complete report 2 years after enactment. In the interim it is imperative that the Congress and State legislature monitor developing trends, assemble more reliable data, and be ready to take appropriate action. It is critically important to have all the facts in this area so that evenhanded policies can be adopted in the overall national interest and avoid the danger of impulsive reaction based on fragmentary evidence.

It is hoped that this legislation and the forthcoming survey will provide the information necessary to give the American people an accurate picture of the extent and implications of foreign investment in this country. In addition, it should give the Government the basis on which to set a rational policy toward foreign investment and strengthen its capability to deal realistically with this complex matter.

The text of bill follows:

H.R. 13814

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 "Foreign Investment Study Act of 1974".

SEC. 2. (a) The President shall conduct a study of foreign direct and foreign portfolio investment in the United States. In conducting such study, the President shall—

(1) compare foreign direct and foreign portfolio investment activities in the United States with investment activities of American investors abroad, and compare the impact of such foreign activities in the United States with the impact of investment activities of Americans abroad;

(2) determine the nature and rate of foreign direct and foreign portfolio investment in the United States and compare such nature and rate with the nature and rate of foreign investment in other countries specified by the President;

(3) determine the reasons that foreign investors are undertaking direct investment in the United States, and compare such reasons with reasons that foreign investors are investing in other countries specified by the President;

(4) determine the processes and mecha-

nisms through which foreign direct and foreign portfolio investment is established in the United States, the financing methods used by foreign investors, and the effects of such methods on American financial markets;

(5) (A) determine the extent of foreign direct investment in the United States in the form of acquisitions or takeovers of existing American enterprises, and in the form of new facilities or of joint ventures with American companies, (B) determine the effects of foreign direct investment on United States business competition, and (C) compare the material obtained under this paragraph with similar material for other countries specified by the President;

(6) determine the impact of foreign direct investment on specific geographic areas and economic sectors of the United States which have been or are being affected by a disproportionately high share of foreign investment, and compare policies of other countries specified by the President resulting from the impact in those countries of foreign investment in similar areas and sectors of those countries;

(7) determine the impact of foreign direct and foreign portfolio investment in the United States on United States national security, energy resources, balance of payments and trade, agriculture (and other real estate), and international economic position;

(8) determine the effect of foreign direct and foreign portfolio investment in the United States on levels of employment and personnel practices in the United States, and on activities of foreign and American management executives employed by foreign investors in the United States;

(9) determine the effect of Federal, regional, State, or local laws, regulations, controls, and policies on foreign direct and foreign portfolio investment activities in the United States, and compare such effect of similar regulations promulgated by other countries specified by the President for foreign investment in such countries;

(10) evaluate the costs and benefits and determine the various international implications of alternate policy choices available to the United States regarding foreign investment in the United States; and

(11) study the adequacy of United States disclosure and reporting requirements for foreign direct and foreign portfolio investment in the United States, and compare such requirements with similar requirements of other countries for foreign investment in such countries.

(b) In conducting the study of foreign investment in the United States pursuant to subsection (a), the President shall (1) encourage participation by representatives of United States industry, agriculture, labor, science and technology, academic institutions, consumer organizations, and any other group he deems suitable; and (2) consult with State and local governments, and to the extent practicable, with foreign governments and international organizations.

Sec. 3. (a) The President may procure the temporary or intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. Persons so employed shall receive compensation at a rate to be fixed by the President, but not in excess of the maximum amount payable under such section. While away from his home or regular place of business and engaged in the performance of services in conjunction with the provisions of this Act, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 (b) of title 5, United States Code, for persons in the Government service employed intermittently.

(b) The President shall reimburse any Fed-

eral agency for services provided in conjunction with the program authorized in this Act.

Sec. 4. The President shall submit to the Congress an interim report one year after the enactment of the Act, and a full and complete report within two years after such date of the enactment. Each such report shall contain the findings made under each of the eleven aspects of the study authorized by section 2(a) of this Act, together with such recommendations the President considers appropriate.

Sec. 5. There is authorized to be appropriated \$1,500,000 for the fiscal year ending June 30, 1975, and \$1,500,000 for the fiscal year ending June 30, 1976, to carry out the purposes of this Act.

RISING PRICES, TAXES, MAKE TAX RELIEF VITAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, yesterday with 37 cosponsors I introduced H.R. 13803 and 13804, identical bills to provide approximately \$10 billion in income and payroll tax relief to low- and moderate-income people.

The cosponsors are: Ms. ABZUG, Mr. BADILLO, Mr. BOLAND, Mr. BRASCO, Mr. BROWN of California, Mr. CARNEY of Ohio, Mrs. CHISHOLM, Mr. CLAY, Mr. CULVER, Mr. DOMINICK V. DANIELS, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. EILBERG, Mr. FAUNTRY, Mr. FORD, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mrs. HECKLER of Massachusetts, Mr. HINSHAW, Miss HOLTZMAN, Mr. McSPADDEN, Mr. MOAKLEY, Mr. MOSS, Mr. PODELL, Mr. RIEGLE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. RYAN, Mr. SEIBERLING, Mr. STARK, Mr. STUDDS, Mr. VIGORITO, Mr. WILLIAMS, Mr. CHARLES H. WILSON of California, Mr. WON PAT, Mr. YATRON, and Mr. THOMPSON of New Jersey.

This tax relief is vital to help the majority of taxpayers—those with incomes of \$15,000 a year or less—recover from the ravages of rising prices and heavier tax burdens.

In today's Washington Post, Hobart Rowen pointed out that the average wage earner's purchasing power dropped 4 percent in 1973. Rowen called for a tax reduction to help workers regain lost purchasing power without resorting to inflationary large wage increases.

The February issue of the Tax Foundation's Monthly Tax Features included a graphic illustration of the effect of price and tax increases on purchasing power since 1966.

The text of both articles follows:
[From the Washington Post, Mar. 28, 1974]

LOST PURCHASING POWER

(By Hobart Rowen)

Prices, as we all know, have shot ahead so rapidly in the past year that the real purchasing power of the average city wage-earner has fallen behind. As former budget director Charles L. Schultz reminds us, this has not been the typical pattern in most of the post-war inflations.

What usually happens is that wages go up two or three per cent more than the price level as labor shares in growing productivity.

Thus, until the present period, the average worker—while complaining about rising prices—hasn't really suffered from them.

But last year was different. Wages not only never caught up with inflation, but by the end of last month, the average wage-earner's paycheck was worth about four per cent less than a year before in terms of what it would buy.

That simple fact helps to explain why consumer spending has been sluggish (people are carefully watching how they dish out the declining supply of their dollars).

Perhaps even more importantly, the decline in real purchasing power contains a potentially explosive bombshell for the economy: if labor leaders attempt to recover that lost purchasing power for their constituents through a whopping wage increase, that might set off a self-defeating new wage-cost inflationary push.

Recently, United Steelworkers President I. W. Abel—an increasingly important figure in policymaking labor circles—told the Joint Economic Committee that "economic justice would dictate that workers wages reflect at least increases in the cost of living plus productivity." That would suggest a minimum of 12 per cent.

The question, of course, is whether it is a practical goal to recover from a broad range of industries the inflationary thrust that has been provided mostly from food and fuel prices.

Shultz, who is genuinely concerned about the way in which inflation has been robbing weekly paychecks, said in Senate testimony the other day that "any attempt to recapture this lost purchasing power solely through accelerated wage increases will be doomed to defeat, as the jump in wage costs leads to a new round of price increases outside of the food and energy sector of the economy. If that happens, serious inflation will be with us for some years to come."

Why have wage increases been relatively modest despite the price explosion? In 1973, first year wage and benefit settlements in the non-farm part of the economy averaged only 7.1 per cent, compared with 8.5 per cent in 1972, and 13.1 per cent in both 1970 and 1971.

One reason, of course, is that we did have a controls system in effect, and an unusually skilled negotiator in the person of Cost of Living Council Director John T. Dunlop running it.

But beyond that, as economist Arthur M. Okun has pointed out, "while the cost of living has a genuine impact on what wage increase the worker wants, needs, and deserves, the ability to pay of employers is also an important factor in the actual wage decision."

In other words, in an economy which began to show signs of softening as early as the second quarter of last year, most employers (outside of the petroleum and food industries) weren't racking up the kind of profits that could support wage boosts covering skyrocketing food and fuel prices.

If Okun is offering a logical explanation of wage moderation in 1973, it would suggest that wage moderation should continue in 1974. After all, the economy will be even weaker this year than last, and while there will be some shift in the profit picture, the over-all earnings of industry are expected to slip.

But logic won't necessarily prevail. First of all, the rise in inflation is more dramatic. The "double-digit" or Latin American type of inflation has already arrived and is certain to get worse, putting increased pressures on labor leadership to deliver fatter wage packages. With the elimination of all wage controls by April 30, the psychological

restraint of the 6.2 per cent ceiling—especially on unorganized labor—will be absent.

This doesn't alter the fact that many industries, or companies within an industry, won't be able to sustain a 12 per cent wage increase—and that suggests that the era of labor peace which has been a useful by-product of the controls period could also be at an end.

Privately, important labor officials recognize this fact, but wonder whether they will be able to contain their rank-and-file. Some early signals of what may lie ahead will come in Abel's negotiations with the steel and non-ferrous industries beginning next month, and then with the first nationwide bargaining in mid-July by the communications and electrical workers with AT & T. Important negotiations will follow in the aerospace, clothing, shipbuilding, airline, mining, shipping and railroad industries.

All of this points to the wisdom of studying the "social contract" idea first put forward by George Perry of the Brookings Institution—the notion that real income might be raised by tax reduction rather than unusually large wage bargains.

Labor's first reaction to Perry's suggestion was to brush it off as impractical wooly-headed thinking by an unpractical professor. A wage raise negotiated by union leadership, to be sure is evidence that union leaders are earning their own salaries. But in today's complicated and tender economic relationships, anything that would restore lost purchasing power without kicking off a new round of inflation deserves everybody's unemotional consideration.

[From the Monthly Tax Feature, February, 1974]

THE CASE OF THE VANISHING PAY RAISE

How can you get a 50 percent pay boost in eight years and still have less than you started with? Thank higher taxes and inflation. The higher pay means higher taxes. Inflation, encouraged by soaring Federal budgets and enormous deficits, does even more damage.

A person earning \$10,000 in 1966, whose pay raises totalled \$5,000 by 1974, would now be earning \$15,000. But taxes and inflation put today's \$15,000 salary through a wringer that leaves the breadwinner with about \$159 less in purchasing power than he had eight years ago.

The figures do not apply to those whose raises totalled much more than 50 percent. For example, Federal civilian employees and private construction workers received nearly a 75 percent increase in the eight-year period; they are clearly better off.

But many millions of employees in such fields as wholesale and retail trade, manufacturing and some services find themselves worse off in terms of what their money will buy. For those on fixed incomes, the picture is even bleaker.

Here's how the evil combination of taxes and inflation works. Take a family of four with one earner and \$10,000 income in 1966. Start where the taxes start, with the amounts withheld from a year's paychecks. The Federal income tax came to \$1,013. Despite some reduction in the tax, its bite on the larger salary is \$1,685. The Social Security tax has been increased from \$277 to \$772.

State income tax collections, which amounted to less than 8 percent of Federal income tax collections in 1966, now take more than 15 percent. On average the \$78 state tax on \$10,000 income in 1966 has risen to \$257 on \$15,000 in 1974.

The total of income and payroll taxes, over \$1,300 greater, does not include city taxes withheld in many parts of the country. Nor does this example attempt to show separately the many other taxes to be paid from

the after-tax take home pay of \$8,632 in 1966 and \$12,286 in 1974.

While taxes have reduced that \$5,000 pay increase to \$3,654, look at what inflation has done to the remaining take home pay. In the past eight years the dollar has lost nearly 45 percent of its purchasing power. In terms of 1966 dollars, today's take home pay of \$12,286 equals only \$8,473 or \$159 less than the take home pay of \$8,632 in 1966.

Here's how the combination works out on that \$10,000-a-year man of 1966, who has seen his \$5,000 pay raise turn into a \$159 loss. Assume that he is still married and his two children under 21:

	1966	1974
Salary.....	\$10,000	\$15,000
Taxes withheld:		
Federal income.....	1,013	1,685
Social Security tax.....	277	772
State income tax.....	78	257
After tax income:		
In current dollars.....	8,632	12,286
In 1966 dollars.....	8,632	8,473
Loss in purchasing power.....		159

The loss in purchasing power is even greater in higher income brackets (see accompanying chart). A \$20,000-a-year person in 1966 may be 50 percent higher at \$30,000 but his buying power is \$386 less than it was. A \$50,000-a-year man, on the same basis, is \$2,477 worse off.

NET CHANGE IN AFTER-TAX PURCHASING POWER 1966-74

Salary 1966	50 per- cent salary increase 1974	Increase in taxes 1966-75	Loss to inflation 45 per- cent	Net loss in pur- chasing power
\$5,000.....	\$7,500	\$480	\$2,031	\$11
\$10,000.....	15,000	1,346	3,813	159
\$15,000.....	22,500	2,110	5,607	217
\$20,000.....	30,000	3,119	7,267	386
\$30,000.....	45,000	5,844	10,228	1,072
\$50,000.....	75,000	12,275	15,202	2,477

Note: Taxes and inflation work hand in glove to give incomes a beating. The chart above shows how they can knock down even a hefty 50-percent increase in income in the past 8 years. Tax Foundation, Inc. based the figures on a 4-member family with 1 breadwinner, and pay raises totaling 50 percent since 1966.

PENNSYLVANIA DELEGATION ADDRESSED BY JAMES F. TRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. CLARK) is recognized for 5 minutes.

Mr. CLARK. Mr. Speaker, I have just heard a very worthwhile and enlightening talk presented to the Pennsylvania congressional delegation here in the Capitol. This talk was given to us by James F. Tress, vice president of housing, PAHRA. Mr. Tress is also the Beaver County housing authority administrator in Beaver County, Pa.

The talk follows:

ADDRESS BY JAMES F. TRESS

Thank you for this opportunity to express the housing comments on behalf of PAHRA.

There is no need to historically review low-rent housing programs, but to express our dilemma in housing with a few background comments.

The public housing program started in 1937 and has had the distinction of running at low speed for nearly 40 years. In this period it has managed a little better than one million units in comparison to 64 million total dwelling units in the country. In con-

trast Pennsylvania's situation has not fared any better. For various reasons, including vested interest, the program has been held down to lower levels. In most cases it is due to lack of national purpose.

During this 40 years, housing authorities have been subjected to program changes, shifts in program emphasis, attacks on financial solvency and numerous changes in operating directions.

In 1965 one of the many new approaches to try to solve the housing problems of the poor was a program to permit HUD to finance leasing by local housing authorities of privately owned housing, new and old, in clusters or individual units. The idea was to get away from "project" image, mix racial group, and give private enterprise a cut at this program and pay local taxes—162,000 housing units in the Nation are under contract in eight years, and only 5,219 in Pennsylvania. This figure includes 1,721 new and 3,498 used.

In the administration's budget for fiscal year 1975 it is proposed to virtually eliminate the public housing program, change the old leasing program, and interject the new section 23 leasing section. These changes will affect housing in the following manner:

1. New section 23 does not focus housing assistance on needs of the lowest income families, particularly the elderly.

2. New section 23 does not extend use of tax-exempt bonds issued by public agencies, of securing the investment credit.

3. New section 23 does not provide national ground rules which maximum initiative and responsibility are vested in local government and public agencies and particularly landlord-tenant relationships.

4. New section 23 does not provide workable and sound method for involving the private investor, the housing developer and private landlord in a cooperative relationship with the public agencies that each perform the task he is best equipped and skilled to undertake.

5. New section 23 does not provide sound method for initiating new housing opportunities for low-income families in locations related to employment and community services.

We believe the existing section 23 legislation of the Housing Act of 1937 should be retained substantially as it now exists. The regulations as proposed by the administration are not in conformity with the intent of the existing section 23 leasing program as passed by Congress.

The next point I want to draw to your attention is the much taunted housing allowance program. This has been defined as a general system of grants to low-income households intended to be spent largely on housing. The housing allowance program is in the experimental stage using the "demand experiment", "supply experiment", and the "administration agency experiment". Title I of 1965 act initiated two programs which suggested the increased popularity of housing allowance concept, section 23, leased public housing, and rent supplement program.

It is ironic that new section 23 HUD rules are being initiated prior to the experiments being completed, without regard to families or elderly. I suggest reference to "the first annual report" of these experiments dated May 1973 by HUD. Conclusions are not even suggested in this report.

This supports the premise that no changes should be made in housing production methods until these experiments are finalized and reviewed for effect. This project date should be 1976.

The third subject that is more than critical is the total freeze on funds for construction and operating fund reduction. Pennsylvania housing authorities have lost over 112 projects representing \$227,432,000.00 for 8,593

units. Of these units 5,767 elderly and 2,272 family and 104 leased units were lost. These figures are as of March 1, 1973 survey. With this freeze has been the loss of extensive modernization funds. Without these funds some older projects will slip to substandard condition, just as modernization begins to roll, funds were frozen. The appropriated modernization funds for F.Y. 1974 and 1975 amount to 20 million dollars. This amount is totally inadequate.

Prototype cost method for distributing operating funds for housing authorities will be generally accepted if the "urban institutes" proposed operating formula for improved management is properly funded. Funding proposals are again short by at least 50 million dollars. Also, formula will be accepted if:

1. Utilities are always separated from formula.
2. At least \$13.00 spread for further testing and validity.

3. Appeal procedure through HUD by LHA.

4. Study must be updated every three years.

5. Control measures will take new factors when source information changes each year (i.e. population, average local government wages, etc.).

Arbitrary policy decisions by O.M.B., disarray of HUD policy and occasional legislative setbacks have taxed housing authorities to the breaking point.

We are pleading for relief in behalf of the elderly and families that are being served. After over thirty years and 68,000 housing units under management in Pennsylvania there is need to more than survive. There are over 46,500 elderly and 205,000 family members that must be provided standard and safe housing, and waiting families that need housing.

Thank you for this opportunity. I hope we will be able to answer your questions.

NICARAGUAN ASSISTANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 10 minutes.

Mr. MURPHY of New York. Mr. Speaker, today with the passage of the significant Foreign Disaster Assistance Act (H.R. 12412), the United States once more has joined with the world community of nations in helping those people and nations who are in dire need. A total of \$115 million is being provided in overall disaster assistance to help ease the monumental economic burden caused by the destruction in three massive calamities—the drought in the African Sahel, the floods in Pakistan, and the earthquake in Nicaragua. Certainly this specific bill is one more example of the efforts of the U.S. people to ease human suffering, and I congratulate my colleagues in their support of this legislation.

May I outline what this bill does specifically for the valiant country of Nicaragua, one of the greatest friends the United States has in this hemisphere? More than 200,000 Nicaraguans were left homeless after this disasterous earthquake struck a few hours before Christmas in 1972. This bill authorizes \$15 million to finance the construction of 10,000 permanent low-cost housing units for 50,000 Nicaraguan people who have up to now been living in make-shift temporary shelters. To be converted by this act are many of the temporary wooden shelters, erected on an emergency basis in Managua shortly after the earthquake, under a U.S. grant of \$3 million.

I would like to emphasize for my colleagues and constituents alike, that the Nicaraguan Government in this case is carrying its share of the load—it will make a similar contribution of \$15 million toward this important task.

A summary of the emergency relief and rehabilitation assistance to Nicaragua which has gone before this is also appropriate. Due to the fact that the Nicaraguan peoples, so brilliantly led by Gen. Anastasio Somoza, have done so much to help themselves, additional aid has come into Nicaragua from throughout the world. Not enough, of course, to restore the devastated country and Managua to a "before" condition, but enough to help where the top priorities had to be met to give the people the critical subsistence and medical aid that they needed to continue.

Almost 70 countries in addition to the United States, and 9 international organizations have participated in the splendid relief activities that have gone on since the earthquake. This aid from the international community had no ideological orientation or strings, and it was in excess of \$14.3 million. This generous sum was in the form of emergency relief cash and commodity grants from these donor nations and from private foreign organizations.

The U.S. effort itself, has already passed the \$36 million mark in cash and commodity grants—our \$12.6 million plus over \$8.4 million from the private sector. Reconstruction loans to date are around \$15 million.

Let me emphasize that the international emergency aid that I have highlighted here is in addition to the many normal programs that had been for years, and continue to be, ongoing, but which have been modified to meet the changing requirements and priorities of the disaster.

In conclusion, I would like to take this opportunity to congratulate General Somoza and all the people of Nicaragua on a job well done, and I know that my colleagues join with me in wishing them continued success in the future.

DANIELSON SAYS RECREATIONAL VEHICLE INDUSTRY DESERVES FUEL ALLOCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, the fuel shortage has had a serious impact upon many economic activities, but few industries have been hurt as badly as the recreational vehicle industry. That is unfortunate, because the recreational vehicle industry provides employment for many thousands of our people, both directly and indirectly, and affords many Americans a welcome opportunity to travel, camp, and enjoy outdoor recreation in our beautiful country.

I have written to William Simon, the Administrator of the Federal Energy Office, urging that his Office keep the needs of the recreational vehicle industry in mind in the development of future plans to deal with our fuel shortage. For the

benefit of my colleagues, I am inserting the text of my letter into the RECORD:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 28, 1974.
Mr. WILLIAM E. SIMON,
Administrator, Federal Energy Office, New
Executive Office Building, Washington,
D.C.

DEAR MR. SIMON: In dealing with the petroleum shortage, the Federal Energy Office has adopted a policy which places the major burden of our fuel deficit on the motorist, in order that industry and agriculture will have as much fuel as possible to provide for continued production, employment, and prosperity. We must protect industry and agriculture; that is a valid and wise policy which I commend.

I am convinced, however, that within the area of motor vehicle transportation, additional categories of use should be recognized and fuel allocations should be made to meet their real needs. There is one subdivision of the motor vehicle industry which has been devastated by the fuel shortage—the recreational vehicle industry. I am advised that, of 67 recreational vehicle plants which were operating in Southern California in the autumn of 1973, only 2 are open at the present time, and those are working on a part-time basis. Few other industries have suffered so much due to the fuel shortage.

I am very hopeful that, in developing methods of dealing with our petroleum shortages in the future, the importance of the recreational vehicle industry will be fully recognized. That is an industry which directly employs thousands of people, and which indirectly creates jobs for many thousands more.

Camping, hiking and travelling are wholesome family activities. America has magnificent resources for outdoor recreation, including our outstanding system of National, State, local and private parks and camp-groups. These resources not only provide wholesome recreation for hundreds of thousands of Americans, but, as a direct consequence, they provide employment and business opportunities are an important part of our economy.

Hopefully, the fuel shortage will not put an end to the use and enjoyment of these great national resources.

The main reason for the great economic hardship upon the recreational vehicle industry is that the public is highly uncertain about gasoline supplies, and is fearful that recreation and vacation travel will be severely curtailed. Under such circumstances, the purchase of a recreational vehicle is deemed by some to be an unwise investment at the present time.

The best antidote for this pessimism among those who wish to purchase a recreational vehicle would be a forthright and candid estimate of the gasoline situation as it will affect them in the coming months and years, so that the public can gauge its purchases of vehicles upon the best information available, rather than rumors and scare-stories.

I request your consideration of this matter and would appreciate your comments.

Very truly yours,

GEORGE E. DANIELSON,
Member of Congress.

LEGISLATION ON PRESIDENTIAL PARDON POWER

(Mr. HANNA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANNA. Mr. Speaker, I am introducing today legislation which I believe will make a positive contribution not only to the legitimacy of current investiga-

tions surrounding Watergate-related matters, but also to the long-range adequacy and integrity of our criminal justice system. This legislation will make it a crime either to seek or accept Executive clemency as part of a scheme to commit any offense against the United States or to impede, obstruct, or influence any proper inquiry under the authority of the United States—including inquiries by either House of the Congress. The punishment for committing such a crime would be \$5,000 or 5 years in prison, or both.

Mr. Speaker, it is all too unfortunately clear that we are living in unprecedeted times. We have heard sworn testimony in the recent Senate hearings that agents of the U.S. Government allegedly discussed Executive clemency with criminal defendants in return for denying other agents of the United States information relevant to criminal investigation. In the midst of an inquiry into possible grounds of impeachment, questions have been put to the President concerning whether those who might otherwise be witnesses against him could expect or hope for clemency for their own crimes if the President remained in office. The answer to such questions has been ambiguous at best. For the President to say that clemency has not and will not be "offered" begs the question, for the central issue is whether or not clemency will be granted and for what reasons.

The Watergate case, Mr. Speaker, shows the inevitable strain put upon our criminal justice system when the possibilities of criminal behavior reach into the very offices of those charged with enforcement of the law. One healthy and essential response has been the establishment of investigatory authority independent of the normal channels of executive procedures—both in the Office of the Special Prosecutor and in the committees of the Congress. But it is nevertheless true, Mr. Speaker, that these other, albeit independent, investigatory authorities may be proceeding under a cloud of expectations of clemency which is encouraging those implicated in crimes to be less forthcoming than they otherwise might be. Even if such expectations have no basis in fact at all, they may nevertheless still be held by desperate men. And even if we are mistaken in our suspicions, the American public has the right to be assured in advance that the effort and cost expended in this and any analogous future case will not turn out to be a sham.

It is true, Mr. Speaker, that many of the acts which would be a part of a scheme which also included the seeking or acceptance of executive clemency would already fall afoul of the criminal law. But it is not at all certain that the seeking or acceptance of clemency as part of such a scheme would constitute a new or separate offense under existing law.

Suppose, for example, that an original Watergate defendant, enticed by slim expectations of executive clemency which were initiated by Presidential aides, failed to be forthcoming. Suppose further that the alleged scheme among the President's aides was carried to its logi-

cal extreme by recommendations to the President for clemency supported by falsified documentation. And, finally, suppose that the scheme resulted in the person's receiving clemency from a misled President. It is clear, I would think, that the President's aides would be culpable in such a situation. It is less clear that, after receiving clemency for his original crimes, such a defendant would be liable for a new crime—accepting a pardon as part of a scheme in which he frustrated justice.

The simple fact of the matter, Mr. Speaker, is that, while current developments bring this potential sequence of events squarely within legislative contemplation, it was probably unthinkable to earlier draftsmen of our criminal code that such a scheme involving use of the pardon power would ever arise. This likelihood, coupled with the healthy tendency to interpret the criminal law narrowly, makes it important that what might be provided for only uncertainty in the law now, be stated specifically henceforth.

In short, Mr. Speaker, there presently exists the possibility of a kind of reverse immunity: rather than mitigating criminal penalties for the purpose of facilitating criminal investigation, the potential perversion of the pardon power raises the specter of alleviating such penalties in order to impede justice. The American people deserve a clear statement by Congress which specifically deters such behavior.

One of the reasons why our criminal statutes have not specifically taken cognizance of abuses of the pardon power may be because of fear of raising difficult constitutional questions. After careful study, Mr. Speaker, I am persuaded that the statute which I am proposing today avoids those issues and is perfectly constitutional.

The second section of article I of the Constitution provides:

The President . . . shall have power to grant reprieves and pardons for offenses against the United States, except in cases of impeachment.

This provision has been interpreted to give the President plenary power and to prohibit Congress from limiting the effect of a pardon or from excluding a class of persons from its operation. *Ex parte Garland*, 4 Wall. (71 U.S.) 333 (1867). To George Mason's warning in the Constitutional Convention that a future President might use the pardon power for "crimes which were advised by himself" or "to stop inquiry and prevent detection," the Constitution's response seems reasonably clear: the Congress may impeach the President but may not take away his power to grant a pardon.

Despite the severe limitations placed on Congress ability to legislation in this area, the bill I am proposing today meets the constitutional tests set forth—even when given their broadest interpretation. To begin with, there is no direct disability placed upon the President himself; even if he were a party to the scheme out of which the clemency grew, he would not be culpable under this statute. Any potential "chill" upon

the exercise of the President's constitutional power would continue to emanate only from the constitutionally provided for impeachment procedure.

Second, neither can it be said that the proposed statute limits the effects of a Presidential pardon. In its broadest sense, a pardon removes all legal disabilities arising from the commission of a particular offense. *Ex parte Garland*, 4 Wall. (71 U.S.) 333 (1867). But it does not and cannot operate upon offenses other than those which are the subject of the clemency. Cf. *Carlesi v. New York*, 233 U.S. 51 (1914). Under the statute offered for consideration by the House, the effects of any clemency granted by the President for the commission of a prior offense would remain fully operative and would not in the least be impaired. To be sure, the potential recipient of executive grace might be discouraged from participating in such a scheme to obstruct justice or from culminating his participation in such a scheme by accepting a pardon. But it is difficult to see how such a person could raise the existence of the pardon power as a shield for the purpose of engaging in a scheme to abuse the very same power.

Third, the essence of the proscriptions upon Congress interference with the pardon power is that "Congress [cannot] inflict punishment beyond the reach of executive clemency." *Ex parte Garland*, 4 Wall. (71 U.S.) 333, 381 (1867). Not only does the bill which I have introduced today leave the effects of executive clemency fully operative, but it also defines a crime which itself is fully subject to the President's pardon power. There would be nothing in this bill which would theoretically prevent a continuous string of pardons for violating the prohibition against accepting a pardon as part of a scheme to obstruct justice.

Fourth, Mr. Speaker, it is true that the Supreme Court has, on historical grounds, distinguished between a recipient's ability to refuse or accept a pardon and his inability to refuse a commutation of sentence. Compare *Burdick v United States*, 236 U.S. 79 (1915) with *Biddle v. Perovich*, 247 U.S. 480 (1927). The apparent reason for the distinction may be in the fact that a pardon affects legal status and a commutation does not; thus, in the latter instance, the clemency is an act which affects the public welfare only and cannot generally be refused. But even if this distinction were still generally applicable today, it would hardly provide a basis for saying that receiving commutation as part of one's scheming to obstruct justice is not a voluntary act. The very requirement that the receiving or agreement to receive be part of a scheme belies any assertion of nonvoluntariness.

Fifth, and finally, Mr. Speaker, we should recognize that those who would make absolutes out of every grant of power in the Constitution propose not a constitutional system—but a tyranny. It has long been recognized that grants of constitutional power and privilege are always tempered by the essential design and purpose of our constitutional structure, by reservations of power and privilege in other persons and branches of

Government, and by the crucible of events.

Thus, for example, strict administrative regulations surround application for executive clemency, and in recent years most, if not all, instances of clemency have occurred pursuant to those regulations. Moreover, despite the fact that most State constitutions contain provisions similar to the Federal Constitution, the National Advisory Commission on Criminal Justice Standards and Goals has recommended that—

States enact *legislation* detailing procedures (1) governing the application by an offender for the exercise of the pardon powers, and (2) for exercise of the pardon powers.

In sum, Mr. Speaker, the grant of the clemency power to the Executive hardly forecloses all legislative activity. Our task remains that of seeking ways to prevent abuses, and infringements on legislative and judicial prerogatives. Any attempt to blanketly use the few words in article II to prevent proper and constructive legislation by Congress in this area is simply to misread the Constitution, misinterpret history, and misserve the American public.

Mr. Speaker, I am hopeful that the distinguished Judiciary Committee will see the wisdom of reporting favorably on this relatively easy legislation at the earliest opportunity. Its enactment will help assure the American public that in the months ahead, full justice will finally be done.

AN INTERNATIONAL INSTITUTE FOR TECHNOLOGY TRANSFER

(Mr. HANNA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANNA. Mr. Speaker, today I am presenting results of a staff study to establish a U.S. International Science and Technology Transfer Institute. Utilizing a global telecommunications mechanism, the Institute would permit instantaneous exchange of scientific and technical information between experts in the United States and users in other nations. The global telecommunications mechanism would utilize the existing satellite communications capability of NASA and existing systems and extend the use of services embodied in current leased-lines telecommunications networks.

The urgency and rationale for creation of the Institute are almost self-evident. Let me give you a few reasons.

First, invariably all studies of development demonstrate that the achievement and maintenance of economic growth are contingent upon creation of a science and technology infrastructure. The recent ascendance of Japan, Korea, Brazil, and Taiwan verify this notion. Looking further back into history, we see the correlation between the post-war development of Europe and the Marshall plan which infused these nations with large-scale economic aid and technical assistance. The United States has a demonstrated technical expertise. For humanitarian reasons alone this expertise should be made available to less-devel-

oped nations to hasten their industrialization and their efforts to apply technologies appropriate to their cultures and national objectives.

A second motive compelling attention to the proposal is the need to inject greater order and fiscal responsibility into our amorphous foreign and international aid and technical assistance programs, especially those dealing with science and technology and research and development. The Nation has a wide variety of bilateral, multilateral, and nongovernmental programs to aid the nations of the world and to support the exchange of information and scientific and technical personnel. My staff recently began to inventory the expenditures of all agencies with overseas science and technology programs. Two startling facts arose. First, the agencies were not able to tell us how much they spent and where. Second, after our prompting we obtained preliminary data and learned that 24 agencies had foreign science and technology responsibilities during the fiscal year 1974. Their total expenditures approach \$1 billion.

But all the available evidence indicates that these efforts are not coordinated: many duplicate each other. Even worse, they do not really constitute a judicious expenditure of public funds since more often than not these programs do not enable a foreign scientist, engineer, or technician to obtain in a timely and expeditious manner, the information he needs to solve his immediate problems.

A third reason prompts introduction of this proposal. It is increasingly evident that the economic welfare of the United States is directly affected by the activities of developing countries which have made rapid technological progress or that are producers of commodities in world demand. It is evident also that the present diffused international technology transfer processes do not serve to enhance our relations with these nations especially in our mutual efforts to discover and utilize natural resources found abroad.

The most dynamic increase in markets for U.S. industrial products and services are in those developing countries which already account for about 14 percent of all U.S. exports. That the developing countries are a major source of raw materials of critical importance to the Nation is highlighted by the current energy situation. With the spectacular increase in the price of oil, the burden has been placed on U.S. technology not only to help generate exports to pay for the increased cost of oil imports but also to assure access to materials which are in world short supply.

A fourth reason, of equal significance, is the truth of the well-worn adage—"trade follows the flag." In order to strengthen our economic position we must establish new markets abroad. The transfer of technical information to other countries will undoubtedly hasten the creation of new outlets for American industry and commerce. This will alleviate the drain in our balance-of-payments problem which results from insufficient demand for American technology and our growing dependence upon foreign suppliers.

Mr. Speaker, many of my colleagues will ask—why should we create another mechanism for technology transfer? We should ask, "What is wrong with our existing institutions?"

Mr. Speaker, I can state unequivocally that there is no adequate mechanism in the U.S. Government to respond to this challenge.

I have closely followed the attention that the National Academy of Sciences and National Academy of Engineering have given in their most recent reports to problems of industrialization and technology transfer in the developing nations. These reports describe vividly the complexity of the problem and demonstrate the need for developing indigenous skilled personnel and an improved capacity to absorb technical information. But I have been disappointed with the recommendations made in these reports. These agencies are correct in reporting that far more research is required to understand problems of development and to establish priorities for science and technology growth. But research alone is insufficient.

Furthermore, several recent studies recommend the creation of multilateral institutions to conduct research and support the exchange of paper information among developing nations. I contend that if these efforts are to bear fruit, research, study, and information exchange must correspond directly to the immediate needs of the recipient nations. Furthermore, the operations and activities of multilateral think-tanks would undoubtedly be hamstrung by the political and bureaucratic jockeying for power which all too frequently vitiates the effectiveness of international organizations.

What about the quality of our existing institutions?

The Agency for International Development has done outstanding work in the areas of agriculture, health, population, and education. But AID serves developing countries. As the developing countries gain access to world capital markets, especially through earnings from exports of materials such as oil or manufactures, they are forced to sever their relationships with AID and thus their principal technology transfer link with the United States. The Foreign Assistance Act limits AID scientific and technological assistance to 40 countries.

Thus remaining outside of AID technical assistance efforts are the oil-rich countries of the Middle East. Taiwan, Malaysia, Mexico, Argentina, Venezuela, with other countries such as Korea, Brazil, and Nigeria, soon to join their ranks. However, these are precisely the countries which are the most interested in developing technical ties with the United States and which have the resources to become major trading partners with the United States.

The United States has begun to push disjoined basic science-oriented bilateral and multilateral activities with some of these countries. However, in the meantime, commercial competitors, such as Japan, Germany, and France have been vigorously conducting negotiations with a number of developing countries, in-

cluding certain of the oil-rich countries, for the transfer particularly of industrial technologies. Germany and Japan have made use of the close ties between their foreign affairs agencies in the government and manufacturers associations which had been nurtured in the post-World War II era. In the case of France, prominence is given to the Ministry of Industry and Commerce which supervises scientific and technological research.

More concerted action in this field by the U.S. Government, with a clear congressional mandate and with adequate funding is long overdue.

The need for new institutional arrangements within the United States to deal with the post-AID countries has been long recognized. In January 1970, the then Secretary of State, Mr. Rogers, wrote to the AID Administrator, and called for remedial action. He said:

At present there is no adequate institutional mechanism for identifying . . . opportunities and for facilitating relationships at the technical level among Government agencies, universities, industrial concerns, and other private organizations of the United States and the post AID countries . . .

I consider the repair of these deficiencies to be a matter of some urgency.¹

It was decided to send a mission to Iran, as an example of an oil-rich country, where AID had terminated its operations, to explore the need for establishing a mechanism for developing technical cooperation. Dr. Lewis M. Branscomb, vice president for science of IBM, who at that time was Director of the National Bureau of Standards headed the mission. On the basis of talks with top-ranking officials of the Iranian Government and with Iranian industrialists, scientists and educators, the Branscomb mission urgently recommended that the U.S. Government set up an institution to promote technological transfer to countries, such as Iran, that no longer were seeking financial assistance from AID. The report emphasized that this would serve a broad range of National interests, both governmental and private, and should not be regarded as a form of charity, stating:

Even though a nation may have reached the stage of self-sustaining development, it does not follow that technical assistance is no longer required. Indeed, as personal incomes mount and popular expectations rise, and as the economy begins to demand a more complex pattern of industrial infrastructure, the need for some types of technical help grows.

The public benefits associated with strengthened U.S. commercial, as well as scientific and international, relations with Iran justify the United States Government's financing the supporting service and other costs necessary to ensure that Iran and similar countries are aware of, and have access to, U.S. public and private institutional capabilities on a reimbursable basis, and that these institutions maintain their competence to respond. To the extent that more tangible U.S. self-interest in technical cooperation can be demonstrated the use of U.S. public funds to share the cost of technical coopera-

tion is justified. Such investments should not be regarded as "aid", any more than Department of Commerce sponsored trade fairs are "aid".

The growing political and commercial importance of the relationship to the United States as a whole justifies investments by the United States Government to foster our ability to help the host country to identify and get access to responsive U.S. technical services".²

The Branscomb report, released in April 1972, advocated approval of the administration's proposal to reform the Agency for International Development by creating the International Development Institute—IDI. This institution would have had authority to provide technical assistance to all developing countries on a reimbursable basis in relation to each particular country's financial position. The Foreign Assistance Act of 1973 rejected the IDI proposal, however, and also rejected a proposal adopted by the House which would have provided AID with a fund of \$3 million to develop economic and technical cooperation with the oil-producing developing countries and with other countries not eligible for financial help on concessional terms. The basis for eliminating the House proposal appeared to be a decision that AID should concentrate on its primary mission of relieving human misery through programs mainly in the sectors of agriculture, education, and population as well as disaster relief.

For other reasons, a somewhat similar situation has developed in our relations with the countries in Latin America and the Caribbean. In seeking to improve relations with those countries, the Secretary of State in meeting with the other American foreign ministers at Mexico City on February 23, 1974, proposed an inter-American Commission on Technology. Mindful of AID's priorities in its program for Latin America, the Secretary suggested that the program would be designed to deal mainly with education, housing, and agriculture.

The Secretary did not specifically refer to industrial technology in his proposal. In the final form in which the proposal was approved by the foreign ministers with U.S. approval included industrial technology was given primary emphasis. The communique issued on February 24, 1974, at Mexico City stated:

With respect to "Transfers of Technology", the Foreign Ministers agreed to promote policies facilitating transfers of both patented and unpatented technical knowledge among the respective countries in the fields of industry as well as education, housing, and agriculture, taking into account conditions prevailing in each country and in particular the needs of the Latin American and Caribbean countries for introduction of new manufacturers for greater utilization of the human and material resources in each country, for increased local technical development and for creation of products for export.

The Inter-American Commission for Technology was to be composed of leading scientists and experts from all the Americas and would report to governments on the basis of regular meetings.

¹ Cited in "Technical Cooperation with Iran," a Report to AID by a Mission headed by Dr. Lewis M. Branscomb, dated April 11, 1972, p. 5. NTIS Acct. No. PB 212-397.

² Op. cit.

Whether a new commission is to be created or whether some existing entity within the Organization of American States is to be assigned the functions agreed by the foreign ministers is now being actively explored. However, if the commitment on the part of the United States is to be more than another exercise of high-sounding declarations followed by long periods of neglect, as the Secretary said in his speech at Mexico City in reference to past pledges by the U.S. Government, the U.S. Government must be prepared to follow up on recommendations forwarded to it by the Inter-American Commission on Technology or whatever the new institution may be called in the future when it is established.

Mr. Speaker, my proposal to establish an International Science and Technology Transfer Institute would alleviate some of these problems. The Institute would be established as an autonomous entity linked to the National Science Foundation. The Foundation is uniquely suited to this task; its Director, Dr. Stever, is the President's science adviser and has been delegated responsibilities for civilian foreign and international science formerly implemented by the Office of Science and Technology.

The Institute would be governed by an interagency council comprised of all U.S. agencies having substantial foreign and international science and technology responsibilities: The NSF, the Departments of Health, Education, and Welfare, State, and Commerce; and the Office of Technology Assessment. Non-governmental agencies, such as foundations with experience in development programs abroad, would sit as nonvoting but advisory members of the council.

The staff of the Institute would inventory and coordinate the dissemination to other nations of all nonclassified and nonproprietary governmental scientific and technical information. It would also establish a mechanism to provide the recipient countries, on a reimbursable basis, with referrals and access to copyrighted and proprietary information and consulting services of American industrial firms.

Staff of the office would be preeminent scientific and technical personnel as well as communications specialists, especially those familiar with problems surrounding the diffusion of technology.

The staff would also identify and coordinate the telecommunications systems to be used in transferring information. Intelsat, NASA systems and prototype models, and microwave communications systems would be used. The user mechanism for communications would involve voice, slow scan video, teletype, facsimile, computer retrieval, and interactive television and cathode ray devices. A unique feature of the system would be its interactive nature—permitting, in effect, dialogue between sender and recipient. All nations of the world are already linked by extensive telephone communications systems. We would expect great use of this mechanism, especially of leased-lines. The communications system would operate 24 hours a day.

What types of information would be

transferred? Several examples come to mind. Research reports as well as discrete bits of information would be included. Examples from the numerous existing communications networks are those of the Advanced Research Projects Agency, COPE—for social program information—and Medline—for medical research and health diagnostic service. The Institute would also investigate linking participating nations in some of the more innovative and interactive satellite communications networks.

Examples here include NASA's ATS-F satellite system, to be launched April 14, 1974, to provide interactive communications in education, health, and career counseling for the Rocky Mountain area and a similar application of the same system in India for educational television. Investigation can also be made of incorporating into the service the facilities of the Lister Hill National Center for Biomedical Communications. This system now serves Alaska and New England. A similar network is being planned for Micronesia, the Trust Territory of the Pacific Islands, and American Samoa. Ground stations on at least three islands will be linked to the major medical, educational, and library resources of the University of Hawaii via the ATS 1 satellite.

The mechanism I envision is not wholly unilateral. We have had a number of discussions with officials of other nations who express their financial and political support for the proposal.

In developing this concept we are aware of the two important caveats expressed by development experts. First, that existing technology taken "off the shelf" is not well suited to the development needs of all nations. And second, that the indiscriminate import of foreign technologies by developing countries has not met with uniform success because imported technologies can aggravate problems arising from mass unemployment and maldistribution of incomes.

To alleviate this problem we would foresee the establishment of counterpart matching institutes in the participating countries. Staffed with teams made up of indigenous personnel we would hope to achieve better understanding of requirements surrounding the transfer of information. These experts would also help foreign nationals to formulate questions and coordinate the flow of information through the system.

We would expect the U.S. agencies participating in the Council of the Institute to provide venture capital to support the organization in its formative stages. After a few years the Institute would become a self-supporting world bank for the transfer of technology.

During its first stage the Institute would operate on a demonstration basis. We would develop feasibility or demonstration projects with those nations most eager to utilize American technical knowledge. We would hope to begin with demonstration projects in the major oil producing countries: the Arabic world, Indonesia, and Colombia. We chose these countries because of the interest their officials have expressed in the proposal

and for the mutuality of our economic and technical interests.

As the Institute demonstrates its feasibility we would expect it to assist in the exchange of interdisciplinary assistance teams, composed of both government and private experts to assist in projects requiring long-term on-site assistance.

We would expect the Institute to eventually become self-supporting through subscriber fees. And as it demonstrates its excellence we envision the enlargement of participation to include other countries as well as regional international organizations.

In conclusion, I should like to remark that our consultations with experts on this topic have generated several other anticipated uses for the Institute. It is conceivable that the facilities of the Institute could be utilized by international development agencies in assessing the need for support of science and technology or economic development projects. Another anticipated use would be as an international emergency center—facilitating the transmission of information and assistance in national or international disasters. And it seems likely that the information base and communications capabilities of such an institute would serve in the conduct of international technology assessments. I hope my colleagues in the House will study this proposal carefully and join in its sponsorship.

AID TO OLDER AMERICANS

(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, I have issued a booklet which contains helpful information to older Americans, particularly those living in the borough of Manhattan. It is the kind of information which would be helpful to older Americans wherever they live, with the appropriate changes reflecting the particular congressional district.

I have had a number of requests from Senators, Members of Congress, and other interested parties for copies of the booklet. I am setting it forth with the thought it would be of interest to our colleagues.

The material follows:

CONGRESSMAN EDWARD I. KOCH REPORTING
ON AID FOR OLDER AMERICANS
(A guide for senior citizens in Manhattan, second edition)

WASHINGTON, D.C., April 1974.

DEAR FRIEND: Almost one million older Americans live in New York City today. As a senior citizen, you are part of an important and special group in our city. You have made many valuable contributions to New York and you are owed the means for living a dignified life in your golden years.

In Congress, I have proposed legislation to improve and expand government benefits and services for the aged. These measures are outlined on pages 4, 5 and 6 of this booklet. I hope you will work with me to obtain the enactment of this legislation.

While new bills are needed, a number of good programs already exist. Because many people don't know about the opportunities

and benefits available to them, I have prepared this guide for senior citizens. In the following pages you will find many agencies listed. Please understand that because of space limitations and because new organizations are continually being formed, I have not been able to mention all the agencies giving help and providing worthwhile opportunities. The omission of an agency should not suggest that it is any less helpful.

I hope this booklet is helpful. And, I hope you will join in the effort now underway to reach out to those elderly citizens not receiving the benefits they deserve. If you know of such a person or if you have any questions or problems on any matter, please write, call or stop by my office at 26 Federal Plaza.

Sincerely,

EDWARD I. KOCH,
Member of Congress.

LEGISLATION FOR THE ELDERLY

It is almost two years since the White House Conference on the Aging made important recommendations for improved and expanded government services for the elderly particularly in the areas of adequate income and health benefits. The need to carry out these programs is made all the more pressing today by the hardships caused by rampant inflation.

Since I have been in Congress, I have worked with my colleagues to enact sorely needed legislation for the elderly. This year I cosponsored amendments to improve and expand the Older Americans Act which were signed into law in May 1973. Among other innovations, this law provides for a comprehensive social services system, model projects to solve some of the every day problems of the elderly, an older workers community employment project, an expansion of the Foster Grandparent program and a strengthening of research in the area of aging.

The Agricultural and Consumer Protection Act was signed into law in August 1973. It permits needy persons over 60 and their spouses to use food stamps to purchase meals at senior citizen centers and other non-profit eating establishments.

A recently enacted 5.9% social security increase will become effective July 1974. However, both the House and Senate have increased that amount so as to make it an 11% cost-of-living increase. This two-step increase in benefits would consist of a 7% increase payable in March 1974, with the full 11% increase effective in June 1974. Hopefully, the President will have signed that bill by the time you read this.

The following list briefly describes some of the legislation I am sponsoring:

H.R. 23—To create a National Health Care program.

H.R. 698—To increase the personal income tax exemption to \$1200.

H.R. 702—To allow tenants of houses or apartments to deduct their proportionate share of taxes and interest paid by their landlords.

H.R. 705—To amend the IRS Code to provide a full exemption from the employee's tax and an equivalent reduction in the self-employment tax for individuals 65 and older.

H.R. 709—To make available to medicare patients prescription drugs not covered under that program, eyeglasses and hearing aids.

H.R. 710—To provide for the payment of attorney's fees incurred by an individual who successfully challenges a decision to deny, reduce, or limit Federal or State benefits.

H.R. 715—To establish a single tax schedule for all individual taxpayers, regardless of their marital status.

H.R. 1492—To ensure that veterans' pen-

sions are not reduced because of increases in social security benefits.

H.R. 2037—To provide increased employment opportunities for middle-aged and older workers.

H.R. 2038—To authorize the establishment of an older worker community service program.

H.R. 2252—To strengthen and improve the Older Americans Act. Public Law 93-20, signed May 5, 1973.

H.R. 4004—To ensure that recipients of Federal and State public assistance and other aid programs will not have their payments reduced because of increases in monthly social security benefits.

H.R. 5465—To provide neighborhood health care centers for medicaid patients.

H.R. 8955—To authorize an experimental program to provide care for elderly individuals in their own homes.

H.R. 9096—To provide free or reduced-rate transportation and new and improved transportation programs for the elderly and disabled.

H.R. 9820—To encourage owners of commercial buildings and transportation facilities by tax incentives to remove existing architectural and transportational barriers with respect to the elderly and disabled.

H.R. 11123—To provide for nutrition programs for the elderly.

H.R. 11715—To permit an individual receiving social security benefits to earn outside income without losing any of those benefits.

H. Res. 459—To create a Select Committee on Aging.

H.J. Res. 420—To proclaim a National Grandparents Day. A similar version passed the Senate, Nov. 15, 1973.

INCOME

Social security benefits

Social Security is money you have earned and set aside in a special trust fund during your working years. You are entitled to receive this money in monthly installments after you retire, or are disabled, or you are the widow or widower or dependent of a deceased person entitled to social security benefits.

You may receive retirement insurance at age 65, or reduced benefits if you retire at age 62. The wife of a man receiving social security benefits is entitled to wife's insurance when she reaches age 62, even if she herself has not worked. You may receive disability benefits if you become permanently disabled at any age. Your family is entitled to survivor's benefits and funeral expenses if you die. There are many benefits under the Social Security Act to which you may be entitled and which you may learn about at your local Social Security office.

You must apply to your local Social Security office to receive benefits. They will compute the exact amount of the benefits to which you are entitled. In Manhattan, the Social Security offices are located at:

4292 Broadway (near 183rd St.), 923-2510.
101 West 144th Street, 234-7100.
230 West 125th Street (bet. 7 & 8 Aves.), 749-1000.

1857 Broadway (near 52nd St.), 586-1618.
39 Broadway (near South Ferry & Wall St.), 264-9400.

Supplemental security income

The new SSI program—Supplemental Security Income—beginning January 1974 will establish a basic cash income for needy persons who are 65 or older, or blind, or disabled. Those who are now receiving public support assistance will automatically be transferred to this program. Those who are not receiving any assistance should, if they think they might be eligible, apply for it.

Persons who receive social security benefits might also be eligible for SSI payments. The Social Security Administration and the States are now working together to see that

these new monthly payments are sent automatically to those eligible in January 1974.

Local Social Security offices are receiving applications from persons who think they might be eligible for these federal programs. If you receive SSI benefits, you will not be eligible for food stamps.

FOOD STAMPS

You can increase your food purchasing power with food stamps, which allow you to buy extra food at most food stores. You are eligible if you are over 60 and your income and assets do not exceed the following limits after January 1, 1974.

Number in family: Net monthly income Allowable assets
1 ----- \$183 \$1,500
2 ----- 260 3,000

Other low income families might also be eligible if their income does not exceed these limits. To apply, find the office nearest you by calling 433-3404. When you apply, bring with you if possible your rent receipts, wage statements, bankbooks, checking statements and medical expense receipts.

This is not charity. Just as we give subsidies to businessmen, the elderly are entitled to this form of "buying power".

Meals delivered to home

The following are some of the centers that deliver meals to persons who cannot leave their homes:

Church of St. Paul & St. Andrew, Nutrition & Health for Senior Citizens, 263 West 86th Street, 877-6222.

Gold Star Senior Citizens Club, 62 West 127th Street, 722-4766.

Henry Street Urban Life Center, 334 Madison Street, 962-1100.

Hudson Guild, 441 West 26th Street, 524-6700.

Stanley Isaacs Neighborhood Center, 415 East 93rd Street, 427-1100.

Hot lunch information

For information where hot lunches are served to eligible senior citizens call:

Department of Social Services, 250 Church Street, 553-5997.

Jewish Association for Services for the Aged, 222 Park Avenue South, 677-2530.

Some senior citizen centers in the city will shortly be receiving Title VII money under the Older Americans Act for a special lunch program. Call the senior citizen center in your area for specific information.

HEALTH CARE

Medicare

Medicare is a federal health insurance program for those 65 and older, regardless of income. It consists of two parts. Part A provides for hospital insurance, some nursing home and home care. It is free but you must apply for it. Part B costs \$6.30 a month and you must apply for it. It will pay for most doctor's services, as well as hospital laboratory and radiology services, ambulances, out-patient hospital benefits and some home and health benefits.

All persons 65 and older who qualify for monthly social security or railroad retirement benefits are eligible, including those who still work and do not receive monthly benefits. You apply at your local Social Security office, preferably within three months of your 65th birthday. Bring with you your social security card and your birth certificate. The local offices in Manhattan are listed on page 7 of this booklet.

Medicaid

Medicaid is a program of medical assistance for the needy person and must be applied for. It is a federally-aided and state administered program. It pays what Medicare does not for those eligible for both programs.

For those eligible for public assistance, medicaid pays medical bills and related services. It covers costs for physicians, dentists

and other professionals, hospitals, nursing homes, out-patient or clinic services, home care, drugs, eye glasses, etc. For those not eligible for public assistance, it only covers 80% of doctor's fees, hospital and nursing home care, and clinic and laboratory services.

Those eligible are medically needy persons over 65 who meet certain requirements, persons on public assistance, and those whose medical bills exceed 25% of their income if they are hospitalized for catastrophic illness. The Bureau of Medical Assistance, 330 West 34th Street, 594-3050 will send application forms. If you apply in person, you will need to show your name, address, social security number, age, annual income, amount of savings, and other liquid assets.

Those who are eligible for Supplementary Security Income payments will automatically receive Medicaid.

Information on Nursing Homes, Convalescent Care and Home Health Services

For information and referral on nursing home care, convalescent care and home-maker services call:

Information Bureau, Community of Greater New York, 225 Park Avenue South, 775-5000.

Catholic Charities, 1011 First Avenue, 371-1000.

Federation of Protestant Welfare Agencies, 281 Park Avenue South, 777-4800.

Jewish Association for Services for the Aged, 222 Park Avenue South, 677-2530.

Department of Social Services, 401 Park Avenue South, 340-5897.

Foster Homes for Adults, 109 East 16th Street, 480-1111.

Greenwich House Health Clinic, 27 Barrow Street, 242-4140.

Visiting Nurse Service, 107 East 70th Street, 535-1100.

Cancer Care, 1 Park Avenue, 679-5700.

Chelsea Village Home Care, St. Vincent's Hospital, 620-2045.

Adventist Nurse, 227 West 46th Street, 757-8500.

Mental Health Programs

For information on health care call:

Mental Health Association of Manhattan and the Bronx, 1440 Broadway, 564-0550.

Geriatric Health Service, Bellevue Hospital, First Avenue & 30th Street, 561-4821.

Karen Horney Clinic, 329 East 62nd Street, 838-4333.

Service Program for Older People, 136 West 91st Street, 724-3000.

Widows Consultation Center, 136 East 57th Street, 688-8850.

HOUSING

Senior citizen rent increase exemption program

In rent-controlled apartments only, citizens 62 and older are entitled to a rent reduction if they meet all of the following requirements:

You have received a notice of rent increase effective on or after January 1, 1973 and the section number on the bottom left hand corner of the notice reads: 24, 25, 33.5, 33.6, 33.7 or 33.8.

You do not receive public assistance.

You are the head of a household.

The total disposable income of your household does not exceed \$5,000 per year.

The increased rent is more than one-third of total household disposable income.

To apply, call your district office for a Rent Increase Exemption Form:

Upper Manhattan, 2828 Broadway (110th Street), 633-6800.

Lower Manhattan, 2 Lafayette Street, 12th Floor, 566-7970.

Real property tax reduction

Senior citizens 65 years and older who own property in New York City may obtain a 50% reduction on real property taxes if you meet all the following:

March 28, 1974

The income of the owner was no more than \$6,000 for the year preceding the date of application. A couple must compute their combined income: gifts or inheritances may be omitted.

The owners have held the title of the property for at least 5 years before application for exemption.

The property is used for residential purposes only, and is the legal residence of the owner and occupied in whole or in part by the owner.

Owners must apply at the Real Property Assessment Dept., Municipal Building, 566-3400 and file applications between February 1 and March 15. Bring with you the deed to the property, proofs of age, legal residence and income for the past year. If one of the owners shown on the deed is deceased, a copy of the death certificate is needed. A city tax bill is helpful, but not necessary.

For inquiries and applications for public housing and emergency housing problems:

New York City Housing Authority, Applications Office, 5 Park Place, 233-8878.

NYS Division of Housing and Community Renewal, 2 World Trade Center, 869-0470.

NYC Housing & Development Administration, 100 Gold Street, 566-4440.

For complaints on housing:

Rent and Housing Maintenance, 215 West 125th Street, 960-4800.

TRANSPORTATION

Reduced fare card

All persons 65 and older who are not employed full time are eligible for a Reduced Fare card which provides half-fares on subways and buses in non-rush hours. To obtain the card, call the Reduced Fare Information Office, 305 Broadway, 566-0580 to find the location nearest you to pick up your card. Bring with you any document showing your age, such as a birth certificate. If you lose your card, call to obtain a replacement card.

Buses: Show your card and deposit half-fare in the box.

Subways: Show your card to the agent, buy a full-fare token and ask for a return trip ticket. Use the token on your way in. On your way home, give the ticket to the agent, show him your half-fare card and enter through the exit gate free. You must use the return trip ticket on the same day.

Tickets are good all day Saturday, Sunday and holidays until midnight; Weekdays from 10 a.m. to 4 p.m. and 7 p.m. to midnight.

EMPLOYMENT AND VOLUNTEERING

OPPORTUNITIES

American Red Cross, 150 Amsterdam Avenue (68th St.), 787-1000.

Council Workshop for Senior Citizens, Nat'l Council of Jewish Women, 915 Broadway, 674-8010.

Dept. of Social Services, Div. of Volunteer Services, 109 East 16th Street, 8th Floor, 460-8456.

Elder Craftsmen Shop, 850 Lexington Avenue, 535-8030.

Federation Employment & Guidance Service, 215 Park Avenue South, 777-4900.

Foster Grandparents, 250 Broadway, 233-1713.

Jewish Association for Services for the Aged, 222 Park Avenue South, 677-2530.

Mayor's Office for Volunteers, 250 Broadway, 566-5950.

Mature Temps, Inc., Am. Association of Retired Persons, 1114 Avenue of the Americas, 869-0740.

New York State Dept. of Labor, Division of Employment, 370 Seventh Avenue, 563-7660. The Path Program, 154 West 14th Street, 242-9050.

Retired Senior Volunteer Program, 105 East 22nd Street, 254-8900.

Action Groups

The Gray Panthers, 626 Riverside Drive, 368-2945.

Committee of Aging & Disabled for Wel-

fare and Medicaid, 160 West 71st Street, Suite 21, 874-0300.

Congress of Senior Citizens of Greater New York, 13 Astor Place, 673-5120.

National Retired Teachers Association, Am. Association of Retired Persons, 555 Madison Avenue, 758-1411.

LEGAL ASSISTANCE

You may need to consult a lawyer or use legal services during your retirement years. You may ask family or friends to recommend an attorney, or call the NYC Bar Association at 682-0606. If you cannot afford to retain an attorney, you may contact:

Community Action for Legal Services, 335 Broadway, 966-6600.

Legal Aid Society, 11 Park Place, 227-2755.

MFY Legal Services, 214 East 2nd Street, 677-0400.

HOMEMAKER SERVICES

The New York State Employment Office provides cleaning services to older people for hourly wages. You may call your Manhattan Household Office, if possible several days in advance, at 247 West 54th Street, 765-8700. Some of the following agencies also provide such services and have volunteers who help older people free of charge with simple housework, shopping, errands, obtaining food stamps and just visiting.

Catholic Charities, 1011 First Avenue, 371-1000.

Department of Social Services, 401 Park Avenue South, 340-5897.

East Harlem Committee on Aging, 312 East 109th Street, 427-0048.

East Midtown Services to Older People, 11 East 29th Street, 889-1620—(Aides do no housework—escort, shopping and errand services available.)

ILGWU, Retirees Service, 201 West 52nd Street, 265-7831.

Jewish Association for Services for the Aged, 222 Park Avenue South, 677-2530.

Nurse & Placement Office, NYS Employment Service, 444 Madison Avenue, 688-0540.

The Path Program, 154 West 14th Street, 242-9050.

Project Ezra, 195 East Broadway, 982-3080.

Project Find, 160 West 71st Street, Rm. 2M, 874-0300.

Project Pilot I, 136 West 91st Street, 787-8106.

Project Pilot II, 1250 Amsterdam Avenue (121st St.), 666-7426.

Search and Care, 316 East 88th Street, 860-4145.

Selfhelp Community Services, 44 East 23rd Street, 533-7100.

Service Program for Older People, 136 West 91st Street, 724-3000.

Visiting Nurse Service of New York, 107 East 70th Street, 535-1100.

Local colleges

Barnard College, 606 West 120th Street, 280-2033.

Columbia University, 116th Street and Broadway, 280-2391.

Hunter College, 695 Park Avenue, 360-2875.

STORE DISCOUNTS

Many stores in Manhattan offer special rates and discounts for seniors. A list may be obtained from Ms. Maria E. Redo, Community Concerns for Senior Citizens, Inc., New York City Office for the Aging, 250 Broadway, New York, New York 10007, 566-0154.

Medicines: East Side

Burstein Pharmacy, 1284 First Avenue (69th St.), 861-0338, 10% discount on all purchases for own use.

Clayton & Edwards, 1327 York Avenue (71st St.), 1004 Lexington Ave. (72d St.), 737-6240, 10% discount on sundry items.

Falk Surgical Corp., 259 East 72nd Street, 1439 Third Avenue (82nd St.), 744-8080, additional discounts where possible.

Prescriptions Exclusive, 1229 Third Avenue (71st St.), 249-1050, 10% discount.

Star Pharmacy, 1514 First Avenue (79th

St.), 737-4324, 10% discount for personal use items—no sale items.

Super-Val Discounts, 1109 Lexington Avenue, 628-3148, 10% discount on health & beauty aids.

Medicines: West Side

Caral Discount, 2146 Broadway (75th St.), 595-8138, 5% discount.

Hartley Chemist, 1219 Amsterdam Ave. (120th St.), 749-8480, 10% discount.

Mario Drug Company, 2345 Broadway (85th St.), 874-7111, 10% discount.

Taft Pharmacy, 1080 Amsterdam Avenue (113th St.), 864-8600, 10% discount.

Hearing Aids

E. J. Korvettes Optical Dept., 575 Fifth (47th St.), 10% discount.

Food: East Side

McDonald's 70th Street at Second Avenue, 10% discount.

Woolworth Stores, Hot Food Specials—\$1.09:

1. 170 East 42nd Street.

2. 1529 Third Avenue (86th St.).

3. 976 Third Avenue (57th St.).

4. 120 East 14th Street.

Food: West Side

Canterbury Dried Fruits, 2282 Broadway (82nd St.), 874-1354, 10% discount on certain items.

Hunam Taste Restaurant, 2270 Broadway (82nd St.), 724-9499, 5% discount.

Red Apple, 2285 Broadway (82nd St.), 877-7844.

Stark's Restaurant, 2140 Broadway (75th St.), 595-0775, 15% discount.

Willie's Meat Market, 2274 Broadway (81st St.), 877-1580, 10% discount.

LEISURE TIME

Things to do in New York City—Discounted and free

Sports

Yankees: 50c admission for home games with Reduced Fare Transportation Card.

Mets: 50c admission on advertised "senior citizen" days.

Aqueduct Racetrack: Tuesdays during track season, 50c for persons over 60 with any I.D. before the 4th race.

Golf courses: New York City Parks Administration issues permits for senior citizens 62 and older to play at city courses for \$1 weekdays. Call 472-1003.

Entertainment: Movies, Theater, Opera and

Ballet

Movies: Loew's RKO, Skouras, Century, Interboro, Walter Reade theaters have discount passes that allow persons over 65 to attend cinema at reduced rate. Rugoff Cinema discount card permits you to attend any weekday matinee for \$1. To obtain discount card contact NYC Office for the Aging, 250 Broadway, 566-0154.

City Center of Music and Drama:

Discounted events. To be put on mailing list write to: Senior Citizens Programs, The City Center, 130 West 56th Street, New York, New York 10019.

For \$2.50 rush tickets on a space available basis call about 6 p.m. the day of the performance. Call for City Center Opera, 246-8989; for Lincoln Center New York State Theater 877-4727.

Metropolitan Opera—Lincoln Center: For \$4.00 rush tickets available 1/2 hour before curtain time call 595-6700 the day of performance.

Mannes College of Music, 157 East 74th Street, 737-0700. Most concerts are free. Half-price tickets are available for senior citizens for fall Sunday afternoon concerts.

Loom Light Opera of Manhattan, Jan Hus Theater, 351 East 74th Street, 535-6310. \$1 discount.

Times Square Theater Center, Broadway and 47th Street. Half-price tickets available to Broadway and Off-Broadway shows on day of performance.

Museums

The Jewish Museum, 1109 Fifth Avenue (92nd Street), 749-3770. Free with Reduced Fare Card.

Library and Museum of the Performing Arts, Lincoln Center, 111 Amsterdam Avenue, 799-2200. Call for schedule of free concerts.

Metropolitan Museum of Art, Fifth Avenue and 82nd Street, 879-5500. Free on weekdays.

Museum of the City of New York, Fifth Avenue and 104th Street, 534-1672. Free. Also free concerts November through June on Sundays at 2 p.m.

Museum of Modern Art, 11 West 53rd Street, 956-7078. 75¢ with Reduced Fare Card.

The Museum of Primitive Art, 15 West 54th Street, 246-9493. Free with Reduced Fare Card.

Planetarium, Central Park West and 79th Street. \$1.25 with Reduced Fare Card.

Summer vacations

Vacations for the Aging, 255 Park Avenue South, 777-5000, ext. 855.

Radio and television programs

The Sixth Age, WNYC (830 am) Sunday, 12:30 p.m. For and about older New Yorkers.

Senior Citizen Forum, WFUV (90.7 fm) Sunday, 5 p.m.

Check with television stations for free tickets to live broadcasts.

Call the Mayor's Office for the Aging, 566-0154, from time to time for upcoming events.

Education

City University of New York. Persons 65 and older are admitted free to undergraduate courses on a space available basis. Contact the Office of Admission Services, 875 Sixth Avenue, 790-4581 for information.

Fordham University, College at Sixty, Columbus Avenue and 69th Street, 956-7100.

Metropolitan Museum of Art, Fifth Avenue and 82nd Street, 879-5500. "Teaching Art: The Senior Citizens Volunteer Training Program" offers a course on the use of the museum's slide library, research library, projectors and art exhibits. Volunteers who have taken the course may give art lectures with slides at Senior Centers. Limited classes, next session in fall. Write Lowry Sims, Department of Community Programs, Metropolitan Museum.

New School for Social Research, Institute for Retired Professionals, 66 West 12th Street, 675-2700, ext. 375.

NYC Community College, Institute for Older Adults, 300 Jay Street, Brooklyn, New York, 643-8150. Offers courses at various community and senior centers.

SENIOR CITIZEN CENTERS

The following can refer you to senior citizen centers in your area:

Catholic Charities, 1011 First Avenue, 371-1000.

Central Bureau for the Jewish Aged, 31 Union Square West, 924-5454.

Federation of Protestant Welfare Agencies, 281 Park Avenue South, 777-4800.

Golden Ring Council of Senior Citizens, 22 West 38th Street, 947-2019.

HRA Division of Senior Citizens, 109 East 16th Street, 460-8389.

Mayor's Office for the Aging, 250 Broadway, 566-0154.

N.Y. Section, Nat'l Council of Jewish Women, 9 East 69th Street, 535-5900.

NY Association of Senior Centers, 225 Park Avenue South, 777-5000, ext. 855.

NYC Parks Administration, Golden Age Centers, 447-5290.

The Salvation Army, 120 West 14th Street, 243-8700.

IMPORTANT PHONE NUMBERS

Call your local police precinct for non-emergencies:

6th Precinct, 233 West 10th Street, 741-4811.

9th Precinct, 321 East 5th Street, 741-9311.
10th Precinct, 230 West 20th Street, 741-8211.
13th Precinct, 230 East 21st Street, 741-5811.
17th Precinct, 167 East 51st Street, 826-3211.
19th Precinct, 153 East 67th Street, 472-9711.
23rd Precinct, 177 East 104th Street, 860-6411.

Save 911 for real emergencies.
Abandoned Cars, 964-1800.
Air Pollution Complaints, 966-7500.
Ambulance, 911.
A.S.P.C.A., 876-7701.
Block Association Info, 566-7930.
Building & Heating Complaints, 960-4800.
Cars Towed Away, 541-5220.
Child Abuse Complaints (day) 431-4080, (night) 286-055.

Civilian Complaint Review Bd., 673-6001.
Consumer Complaints, 964-7777.
Dead Animals, 566-5318.
Drugstore (24 hrs. 50th St. & Broadway), 265-3546.
Doctor's Emergency Service, 879-1000.
Electric or Gas Failure, 260-3000.
Family Court, 460-8772.
Health Dept. Info., 566-7711.
Human Rights Info, 566-5050.
Hydrant, broken or open, 966-7500.
Mayor's Action Center, 566-5700.
Noise Complaints, 966-7500.
Park Dept. Complaints, 472-1415.
Poison Control, 340-4494.
Potholes in Street, 964-2110.
Rape, 374-7636.
Rent Control Info, 566-5054.
Sanitation Complaints, 964-1800.
Sewer Back-up, 966-7500.
Shelter, Emergency, 344-5241.
Street Light Out, 784-4717.
Street Sweeping, 566-5656.
Suicidal Feelings, 736-6191.
Suspected Narcotics Dealer, 374-6636.
Telephone Customer Service, 889-9937.
Transit Info, 999-1234.
Welfare, Emergency Info, 344-5241.
Weather Report, 936-1212.

CONGRESSMAN EDWARD I. KOCH ASKS YOUR OPINION

This questionnaire is being distributed by Congressman Edward I. Koch. Its purpose is to determine some of the needs of the elderly of the city of New York with the objective of working on the city, State and Federal levels to improve the quality of life of our senior citizens. Your name and individual answers will remain confidential.

1. What is your total monthly income?
Social security.
Other.
2. What portion of your monthly income do you use for:
Rent.
Food.
Medical expenses.
Transportation.
Entertainment.
3. Do you have a telephone?
4. If you have a telephone, is it a "limited use" phone (\$3.50 a month + 7.1¢ per call)?
5. How many times a week do you use city buses and subways?
6. Do you use senior citizen reduced transit rates?
7. How often do you use a taxi?
8. Would a special taxi or limousine service picking you up at home and taking you to a destination in your community be helpful if available at a flat rate of 80¢ to \$1.00?
9. If yes, for what purposes would you use this service?

MEDICAL CARE

10. Are you on Medicare?
Part A (hospitalization).
Part B (doctor's fees).
Are you on Medicaid?

11. Are you insured by a private health insurance company?

12. Has a health insurance company cancelled any of your insurance policies because of age or illness?

13. How often do you visit a doctor?
14. Have you been hospitalized during the past year?

If so, for how long?
Was this hospital stay covered by insurance?

15. Do you use a hearing aid?
If you do not use a hearing aid, is it because you cannot afford one?

16. How much did you spend on drugs during the last 12 months which was not covered by medicare or medicaid?

17. Have you ever had to call or use an ambulance?

COMMUNITY ACTIVITIES

18. How do you spend your leisure time? Do you go to the following? How often each week?

Senior citizen centers.
Church/synagogue gatherings.
Library.

Parks.
Watch television.
Be with friends.

Museums.
Movies.

Theater/opera/concerts.
Other (indicate).

19. Do you attend a church or synagogue? If so, does it have an active senior citizens group?

If yes, do you participate in its activities and what do you do?

20. Do you participate in a food program at a community center or senior citizens center in the city? Yes. No.

If yes, how many times a week?

Which center do you attend?

Is it well run?

How could it be improved?

21. What type of community facilities do you think there should be more of?

22. Do you attend any type of educational or skill training program?

If no, would you like to?

23. Approximately how many hours a day do you watch television?

24. What kind of programs would you like to see more of?

WORK

25. Are you employed at this time?

If so, how many hours a week?

What do you do?

26. If you are now working, will retirement be mandatory at age 65—or if you are retired, was retirement mandatory at 65?

27. Would you like, or would you have liked, to continue working?

Yes.

No.

Full time.

Part time.

Doing what?

28. If you are now retired, what were you doing before retirement?

29. While working, did you change jobs and lose pension benefits?

If yes, how many years had you worked for which you were accruing pension rights?

30. Do you receive a pension now?

How many years did you have to work before becoming eligible for that pension?

31. Do you feel that there were times when you could not get a job when you were in your late 40s, 50s and 60s because of a company's pension considerations?

32. Do you do volunteer work?

If so, how many hours a week?

Describe briefly.

CONSUMER PROBLEMS

33. Were you ever denied a loan, a mortgage, or another credit transaction because of your age?

Yes.

No.

If yes, please list banks and companies and describe the situation.

34. Were you ever told you could not rent a car because of your age?

Yes.

No.

If yes, please give the name of the agency.

35. Were you ever sold a defective hearing aid or other therapeutic physical device?

Yes.

No.

If yes, were you able to return it, and get it repaired or have your money refunded?

If no, please give the name and address of the dealer.

36. Have any other consumer goods or services been denied to you because of your age? Please be specific.

37. Have you ever been personally assaulted?

Yes.

No.

If yes, where?

38. Has your apartment ever been broken into?

39. Did you lose any benefits such as food stamps as a result of increases in social security?

Yes.

No.

40. Do you receive food stamps?

Yes.

No.

If not, why not?

41. If you use food stamps, were you ever treated rudely when you attempted to purchase items with food stamps?

Yes.

No.

If yes, please give the name of the store.

COMMENTS

Name.

Address.

Age.

(You may leave out your name if you prefer. However, I would like your name in the event a follow-up is necessary.)

IN BEHALF OF RHODESIA

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, from the pen of William F. Buckley, Jr., there is a column on Rhodesia which appeared on Sunday, March 24, in the Washington Star-News. It is entitled "An Experiment To Save Rhodesia?" It provides a commonsense discussion of the problems of representative government in Rhodesia.

Mr. Buckley's column explains carefully the fact that the overwhelming majority of the black population of Rhodesia prefers an accommodation with the present government of Rhodesia to a terrorist government of the kind which would be imposed by neighboring African States under Communist sponsorship.

Admittedly, the Rhodesian Government should make a stronger effort to bring about an accommodation with the black population which promises a permanent solution and satisfies the more rational elements of world opinion. The efforts by some well intentioned Americans which encourage the downfall of the present Rhodesian Government show no comprehension of the chaos which would result from a terrorist-Communist takeover. It is time for

commonsense in dealing with Rhodesia—commonsense in Britain, commonsense in the United Nations, commonsense in the United States.

Rhodesia is, to all intents and purposes, an independent nation. The British have recognized the sovereignty of territory after territory without question. The Labor government refused to accept independence for Rhodesia and ran to the United Nations which voted sanctions. The United States thought it had to trail along. The United States has problems enough of its own without helping to bring about the downfall of a friendly government.

AN EXPERIMENT TO SAVE RHODESIA?

(By William F. Buckley Jr.)

SALISBURY, RHODESIA.—They will tell you in Rhodesia that the terrorists are under control, and that there is nothing to fear. In fact they are not under control, and the situation threatens to get worse, as why should it not with the Soviet Union beginning to compete with Red China in sending arms to the terrorists, and with assorted Protestant bishops standing by more or less to baptize a movement that is becoming as fashionable as the Black Panthers and the Viet Cong.

But overwhelmingly the black population of Rhodesia is anti-terrorist. There are complicated reasons for this. The first (and least obvious) is that black leaders do not share the revolutionary turn of mind of the terrorists and their backers. They see no advantage whatever in exchanging rule by a white elitist government headed by Ian Smith, for a black ideological government headed by Peking or Moscow or its surrogates. For another, while they desire—indeed demand—change, they have not, yet, abandoned hope that orderly change will come under the non-violent pressure of the predominantly 95 percent black native population. But this, I am led to believe, must come soon.

Drastically compressed, here is the chronology of events, which are racing to a conclusion of sorts.

In 1965, the Rhodesians declared their independence of Britain. Almost immediately, the United Nations voted sanctions, which got progressively more stringent after supplementary resolutions in 1966 and 1968. In 1969, Prime Minister Ian Smith promulgated a constitution which would in effect have guaranteed white supremacy through the century and beyond.

In 1971, Smith and British Foreign Minister Sir Alec Douglas Home initiated an agreement calling for constitutional reform and additional opportunities for black political power. The agreement was subject to ratification by the black community which, in the finding of the so-called Pearce Commission the following spring, said No.

Probably it was a mistake not to implement the agreement anyway, for strategic reasons. But this was the electric political moment in Rhodesia, when the blacks saw the papers' headline: Black Rhodesians Veto Westminster Pact. Things would never be the same again.

Gradually it has dawned on the white community that the critical man in their midst is a mild-mannered Methodist bishop, in his early forties, called Abel Mozorewa. He is said to be relatively without guile, and that's not all good—he is a procrastinator, an ambigulist, inexperienced in the unholly ideological ambitions of many of his fellow liberationists.

On the other hand, no one suspects him of corruption of any kind, and I accept it as true that he has for the moment the singular power to prevent universal bloodshed in Rhodesia.

For how long? That is the dark question. There are secret negotiations going on at this moment between the bishop and Ian Smith. Smith is a man of quite extraordinary personal valor, who has become the symbol of white supremacy. Actually he is no more a white supremacist than George Wallace proved to be, when the social attitude changed. He is a good politician, but it is feared that at this moment he underestimates the resolve of the black majority to effect substantial change.

And it is above all feared that if the bishop does not succeed in budging Smith, others—who would then declare impatiently their independence of Mozorewa—will embark on violent action. This would destroy Rhodesia.

Smith tells his lieutenants that it would be political suicide for him to yield too much. So the question arises: Is Smith statesman enough to avoid political suicide—by leading the white intransigents towards reconciliation and organic progress? The betting is that he could not persuade his own ministers to conciliate, but that if he went to the white voters, he would earn their support.

One hopes so. Not only in order to avoid catastrophe, but to indulge a valid social experiment. If a country 95 percent black is willing to give the white, advanced 5 percent the major creative political and educational role for a specified period of time, so as to ascertain whether greater progress might not thereby be made than under the lash of the black nationalism of some of Rhodesia's neighbors, then a quality of moderation might wax its way into African affairs which would be instructive not only for the black population of Rhodesia, but everywhere.

And it is in any case difficult for a visitor to Rhodesia to count lightly the benefit of reconciliation for the white population, men and women of extraordinary charm and apparent good-will.

VICE PRESIDENT FORD PRESENTS ROA'S MAN OF THE YEAR AWARD TO THE HONORABLE GEORGE MAHON

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Honorable GERALD R. FORD, Vice President of the United States, presented to the Honorable GEORGE MAHON of Texas, chairman of the House Appropriations Committee, the ROA's Minute Man of the Year 1974 Award in Washington on March 22. This award is made annually to "the citizen who has contributed most to the national security of the United States of America." This deserved honor to a distinguished legislator who is in his 40th year in Congress came at the association's annual banquet during its midwinter conference. In accepting the award, Representative MAHON pledged his continued efforts toward peace through strength.

As a part of his presentation, Vice President FORD read the citation accompanying the award. It follows:

Whereas, throughout more than 30 years of service in the National Congress of the United States—

His devotion to the highest concept of duty to country;

The courage and independence of his leadership for adequate preparedness which is necessary to National Security;

The steadfastness of his dedication to the Citizen-Defender tradition;

The clarity of his judgment to insure strength, effectiveness and high morale to the Nation's military forces;

Confidence to his generation;

Inspiration to posterity; and

Safety to this Nation's institutions and ideals.

Therefore, be it resolved, that in recognition of his extraordinary service to the United States, this Association proudly recognizes George H. Mahon as the Citizen of 1974 who has contributed most to the National Security shared by every American citizen in these times.

Before reading the citation, Vice President Ford made these extemporaneous remarks:

VICE PRESIDENT FORD'S REMARKS IN PRESENTING THE MINUTE MAN OF THE YEAR AWARD TO REPRESENTATIVE MAHON

George Mahon, Helen Mahon, distinguished members of Congress, distinguished members of the military, ladies and gentlemen, it's a wonderful occasion for me to have an opportunity to participate in the Minute Man Award to a very dear and very old friend of mine. I have an opportunity tonight to participate in paying tribute to a very great American and to also participate in an occasion by an outstanding organization, ROA, of which I am privileged to be a member.

Subsequently, I am going to read the words that have been put together by those who are paying tribute to our Minute Man of the Year.

If I could be a bit nostalgic for a minute, I would like to talk about your honoree, a man I have known and a man for whom I have the utmost respect. He came to the Congress some 14 years before I did. I think his total service is 40 years or thereabouts. But I had the privilege of serving with him for 25 years in the House of Representatives. Fourteen of those years I served with your honoree as a member of the House Committee on Appropriations, twelve in the intimate association as a member of the Defense Appropriations Subcommittee.

But during those years, that span of the time, we had an association that was far broader than just the workday responsibilities of a committee that has some significance as far as our national security is concerned. My wife Betty and I learned to know and love not only George but Helen. We had the opportunity of being with them on many occasions that had nothing to do with the business of the day, and I think I can say without any hesitation or reservation that there's no finer family in the National Capital than George and Helen Mahon.

I know from intimate association why you picked George Mahon for this award tonight, why you picked him as the Minute Man of the Year. Because for a period of 12 years when I was lucky enough to get on the Defense Appropriations Committee in January of 1953, I served day after day—I think our schedule went something like this, from 10 to 12 and from 2 to 4, five days a week, five months a year.

And in that experience it was my privilege to see one of the most skillful interrogators and some of you in this audience have had the other end of his interrogation, but I have also seen him as a member of a subcommittee and as a member of a full committee, he's an able conciliator in trying to find the right answers and the best results.

And I have also listened to him as an effective spokesman for the handiwork of a subcommittee and a full committee. I don't mean to imply that George and I have always agreed. We've had our battles. We've had our differences, but the wonderful thing

about our association has been that our friendship was far more important than our differences; and as we went through the process of disagreeing, we learned that what was best for the country was far more enduring than those differences.

As a freshman member of the House in 1950, I was a rather persistent attendant on the floor of the House. I hadn't gotten any responsibilities that took much time, I might add, and so I listened to the pros. I listened to those who had responsibilities, and if you'll go back to a Congressional Record of some time in the spring of 1950, you can read a speech made by your honoree tonight, the speech that I heard in person. Now, we hear a lot of speeches from the floor of the House that no one pays much attention to and for good reason.

Many of which I have made. But, nevertheless, on this occasion as a freshman, I listened to our distinguished guest tonight, and I knew that many times—and I won't repeat it tonight—but it was one of the most effective and persuasive speeches that I've heard and from that moment on, it was my personal position that there was a man who deserved any and all recognition that would come to him in the later years of his service to our country in the House of Representatives.

And what has that service been? I know there are some in the Congress and some outside, perhaps a few in the press, who would say that George Mahon, because of the position that he held for many, many years as Chairman of the Subcommittee on Defense Appropriations, was a man of war. I happen to think that George Mahon by his actions, his votes and his leadership is a man of peace.

Let me explain why I think that. It's my conviction that you achieve peace and you maintain peace by strength, and George Mahon has been an advocate of strength in our national defense.

I have been in that subcommittee when George cut a little bit. Most of the time he was right, not always. I think he would admit it, too. On the other hand, I have been in that subcommittee when he was adding a bit, despite one President or another President's budget request. Most of the time George was right. But the net result of, I think it's 30 years on the subcommittee, isn't it, George? Thirty-four—the longest service in the history of the Congress as a member of the Defense Appropriations Subcommittee. George Mahon is exemplified by his votes, his actions, a man of peace by dedicating himself to a policy of strength rather than weakness.

Before concluding and reading those wonderful words on that plaque, let me speak about the problem we have in 1974. Probably the most important part of the budget that is supplemental and in the budget for '75 is the request of the Department of Defense for what is needed and necessary not to wage war but to preserve the peace.

All of you can have a most significant impact. Enough transpires in the Congress in 1974 so that we can continue as a nation, a guardian of peace, the deterrent of war, and as you spread out from Washington, D.C., to every one of the 50 states, you can be the greatest salesmen for a policy in the Defense Department that will maintain peace not only now but five and ten years from now.

If we fall, you and me and others, in this mission this year, we could lead this nation to a time of peril and hazard that we can avoid if we are strong. You have many friends, and I have a few, but every person that we see, if we can say a word, a sentence, a paragraph; if we can maximize our effort to support what is proposed by men like Tom Moorer and his associates at the Joint Chiefs, it's the best investment I know for the maintenance not only in '74 but in '84.

And so I say to you as I turn now to the reading of what has been said on behalf of George, I plead with you to be the missionaries in the hinterlands, to be advocates of strength for peace for our time and the decades ahead.

The response by Congressman MAHON follows:

HONORABLE GEORGE MAHON RESPONSE TO PRESENTATION OF ROA AWARD

I am overwhelmed by the honor which has been bestowed upon me tonight. I am humbled by the opportunity of having my name added to the incomparable list of previous recipients. To receive the annual ROA award in the presence of such a stellar company and from the hands of the Vice President who has been a very warm and favorite friend and co-worker of mine through many years in Washington is indeed a heartwarming experience. Thank you, Jerry; I mean, thank you, Mr. Vice President! It has been a great privilege to work with you over the years for a strong defense program—for a reserve program adequate to meet the needs of the Nation.

Let me say to you reservists and your friends that I shall seek to be brief and keep platitudes to a minimum. In truth, there is not much I can say that you don't already know. We don't suffer from a lack of information. The problem is more that of motivation and dedication.

We face a different world than we did even last year at this dinner. We are in the midst of dramatic change. Suddenly we find ourselves short of about everything from fuel to bailing wire. And dramatic changes in the military are apparent for all to see.

The Administration is requesting at this session of Congress for the Department of Defense a total of \$99 billion. \$6 billion of this is a supplemental request for the current fiscal year. These astronomical figures prompt me to say that we may have about reached the ceiling on defense budgets, short of an outbreak of war in which we participate.

Fiscal restraints which confront us mean that military personnel, already reduced markedly, will probably be reduced further. This has been compelled by the fact that personnel costs for the all-volunteer force have skyrocketed and will continue to take more than 50 percent of the defense dollar. This means that funds for adequate modernization are going to be harder and harder to get.

And I emphasize this: we are confronted with a \$304 billion overall national budget. We are spending at a high rate and plunging further in debt with every passing hour. Note this too. The pressures for more and more non-defense spending on health, education, food stamps and all the social programs are becoming increasingly more irresistible to Administration and Congress alike.

Oh, sure, we all know that self-survival is the first law of men and nations, but that doesn't mean that it isn't becoming increasingly difficult to get needed dollars for defense. Let's face it; those in and out of government who plead for more and more non-defense spending occupy the center of the stage in the public mind.

What do we do? We have got to accommodate to a smaller active defense force. It will have to be better equipped and better trained. And the defense establishment must be operated in such a credible way that it will have greater support from the American people—and the United States Congress.

When the bomb ended the war with Japan it was said that the next war might be over in less than a week. There seemed to be no place for a reserve force. Massive retaliation was the order of the day. Fortunately, for many valid reasons, we have recovered from

that misconception. Events have totally exploded it.

There was a time when it was not absolutely vital for the reserves to be fully equipped and fully trained. That time is over.

From henceforth the reserve must be fully equipped, fully trained and ready for combat. In the light of a smaller active force, that has to be the name of the game from here on out. The number of units in the reserves that do not relate directly to combat must be held to a minimum. Note this: It is important that we have adequate numerical strength in both the combat and support units.

It is clear that with the draft ended it is going to be more difficult to get the men and it is going to be more difficult to get support for the funds to fully modernize and equip the reserves. This is not going to be an inexpensive operation. I warn that we must discount the magnitude and the importance of this problem.

Yet there is no cause to despair. If the reserves do a good job and if their requirements are properly presented to the American public by officials of government and the media, the people will respond to their own self-interest, and self-interest—the national interest—is what I am talking about. The people must have reason to have faith that their interests are paramount in every military program. I am confident that goal can be achieved.

Your organization has been a tremendous asset to the nation through the years in your unwavering support of a strong national defense. Year in and year out you have been welcomed before the Committee which I head, and your voice has been heard. But your responsibility today is vastly greater than ever before. You can and, may I say, you must play a major role in meeting the challenge.

Let me say again that I am overwhelmed by the honor you have bestowed upon me tonight. Thank you so very much. Let me pledge my very best efforts in working with you, and with my colleagues, and all our people in support of an adequate active force and a combat-ready reserve force, designed to make a major contribution to the peace and security of the nation and the world.

The Reserve Officers Association, composed of more than 80,000 members, is chartered by Congress to work for all matters pertaining to the national security. It has earned an enviable record of accomplishment during its long history and is nationally recognized for its leadership in the work for sound defense for America.

A FEDERAL OIL AND GAS CORPORATION: THE LESSONS FROM FOREIGN EXPERIENCE AND THE TVA

(Mr. HARRINGTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HARRINGTON. Mr. Speaker, only about 12 months ago, mention was first heard here in Congress of a proposal to create a Federal Oil and Gas Corporation—a “Tennessee Valley Authority” whose goal would be to compete with the major oil companies and produce petroleum and natural gas at reasonable prices for consumers. Thanks to individuals like Mr. Lee White, former Chairman of the Federal Power Commission, and Mr. Frank Frisk of the American Public Power Association, legislation was formulated to create the Corporation.

In the Senate, Senators STEVENSON and MAGNUSEN have conducted hearings and staff discussions on the concept, and are hoping to report an Oil and Gas Corporation proposal to the floor this year. Here in the House, Mr. White and Mr. Frisk appeared before the New England Congressional Caucus at my suggestion, and secured support for the Corporation approach from congressional spokesmen like the majority leader, Mr. THOMAS P. O’NEILL, JR., and Congressman SILVIO CONTE, an expert on energy policy within the Republican Party. These gentlemen, together with other Members of Congress, have joined me in submitting Corporation legislation to the House.

In exploring the Corporation idea, it has seemed to me that an in-depth examination of similar operations in other industrialized nations, as well as of our own Tennessee Valley Authority, would be useful. Today, I am pleased to make public such a study. “A Federal Oil and Gas Corporation: The Lessons From Foreign Experience and the TVA” surveys Government participation in energy production in five developed countries: Britain, Canada, France, Germany, and Italy. It was conducted at my request by Mr. Kent Hughes of the Economics Division of the Congressional Research Service.

As a prelude to the study, I would point out that establishment of a Federal Oil and Gas Corporation would serve four primary purposes. First, the Corporation would develop publicly owned oil and gas resources in order to satisfy national energy needs rather than to maximize private sector profits. Second, the Corporation would develop oil and gas rights to stimulate maximum economic competition in various aspects of the petroleum business. Third, the Corporation would provide the public and the Government with knowledge of the actual cost of producing oil and gas, so that appropriate public policy can be set to best manage the Nation’s energy resources. Fourth, the Corporation would provide the public and the Government with accurate indications of the extent of our energy reserves so that any future attempts to trigger public panic by underreporting available supplies could be met with reliable information.

This legislation is not the first step to nationalizing the American petroleum industry. Instead, its supporters, concerned that the petroleum industry is drifting steadily toward heavier concentration and anticompetitive behavior, wish to provide a competitive spur to the domestic petroleum industry, and develop a yardstick by which the performance of the petroleum industry can be judged. Many critics of the oil and gas industry have reservations about nationalization, because a public monopoly would have many of the flaws exhibited by private monopoly. But public ownership aimed at increasing competition, together with vigorous antitrust action of the kind formally initiated against the oil companies by the Federal Trade Commission last summer, would protect against the effects of monopoly altogether.

Mr. Hughes’ study is a balanced look at the Corporation concept, not a pre-

judgment of its merits. He explores the questions of whether a Federal Oil and Gas Corporation could effectively break into the United States’ already highly structured industry, attract the necessary skilled personnel and the needed capital, explore for and find adequate energy reserves, function in accord with desired congressional accountability, operate with sufficient efficiency, and legitimately serve as a comparative “yardstick” by which to judge private profit-making efforts in the energy field. His findings and conclusions are sure to constitute a unique contribution to the Corporation debate.

At this point, Mr. Speaker, I would like to insert this document into the RECORDS:

A FEDERAL OIL AND GAS CORPORATION: THE LESSONS FROM FOREIGN EXPERIENCE AND THE TVA

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	Regulation Through Competition

Part I. The proposed corporation

At least since the summer of 1973, the question of energy supply has become a major challenge to public policy. With the start of the Arab oil embargo, the American public has been deluged with bits and pieces of information about the oil industry, the potential for solar power, the possible growth in nuclear power, the intricacies of the catalytic converter and a host of other matters. There has been no shortage of proposed solutions to the problem of energy shortages.

The Federal Government is already deeply involved in the oil and gas industry. Substantial oil and gas reserves lie within the public domain, natural gas is already a regulated industry. In addition, the Federal government has used tax incentives to encourage exploration for oil and gas and subjected oil products to the general price guidelines of Phase IV. In the face of an apparently long run problem, proposed solutions have run the gamut of possible federal action. More federal funds are being sought for research and there are a host of tax proposals. Some have suggested treating the entire oil and gas industry (or segments thereof) as a regulated public utility.

The purpose of the present inquiry is to

explore yet another alternative—the creation of a federal oil and gas corporation. What would be involved in setting up such a corporation? What kind of pricing policy would it follow? And most importantly is it really feasible?

Because corporations can take on almost infinite variety of forms and the tests for feasibility are so broad, the author has limited the present inquiry in two general ways. On the one hand, the particular corporation to be examined will be that contained in H.R. 12104 introduced by Congressmen Conte, O'Neill, Harrington, Cotter, Moakley and Studds. On the other, the author will explore the economic viability of such a corporation in light of the experience of selected foreign countries and with an eye to the major federal power corporation that already exists—the Tennessee Valley Authority.

A Proposed Corporation

In an age of conglomerates and multinational firms, one does not need to belabor the potential complexity of any such corporation. The Federal Oil and Gas Corporation (hereafter the Corporation) is no exception to this general rule. Rather than present a detailed analysis of each and every facet of the Corporation, what follows is an attempt to answer the three basic questions asked about any corporate entity. What can the corporations do? Who controls the corporations? What are the economic policies of the corporation—its pricing procedures, capital financing policy and so forth?

Powers of the Corporation

1. *Exploration for oil and natural gas*—The Corporation is granted very extensive powers in the field of exploration for oil and natural gas. The Corporation may explore for oil and gas on Federal, State, foreign or private lands (Sec. 34(c)(8)). According to the bill, the corporation will not be involved in the development of oil shale resources nor the possible exploitation of geothermal power.

To provide the Corporation with a quick entry to the development field, it will be granted special privileges in the exploration of Federal lands. "To the extent necessary to carry out its authorized activities", the Corporation may request the right to develop oil or gas on Federal Lands. When a federal authority is inviting bids for leases or exploratory rights, the Corporation can request up to 50% of any rights offered. The federal authority must grant the Corporation such rights within 90 days and without requiring any payment. Considering the extensive oil and gas reserves that lie within the public domain, the Corporation would have ample opportunity to initiate exploration.

2. *Development of oil and gas*—In addition to exploring for oil or gas, the Corporation can bring a field to full development. The Corporation is clearly empowered to find the fields, drill the wells and bring the oil or gas to point of sale at the well head.

3. *Pipelines and Refining*—The Corporation may operate pipelines or construct refineries, but as a last resort. Only if the Corporation is unable to sell crude oil "in a manner which will promote competition among suppliers of crude oil" will pipelines and refining become possibilities (Sec. 34(h)(1)).

4. *Research*: The Corporation is granted quite broad powers in the area of research and development. Looking beyond oil and gas, the Corporation can conduct research on plentiful, non-polluting supplies of energy regardless of source. Although there is no enumeration of potential sources, the specific subsection would seem to incorporate such matters as solar and geothermal energy as well as coal gasification. (Sec. 34(c)(11).)

5. *Joint Ventures*: The Corporation is specifically allowed to enter into joint exploratory, development or research ventures with both public bodies and private corporations.

What emerges is a Corporation with broad authority to explore and drill for oil and gas.

The Corporation has equally broad powers to sell oil and gas to pipeline operators or private refiners. Corporation research projects can involve any fuel that promises a non-polluting answer to the energy shortage.

Beyond that point, the Corporation's powers become much more circumspect. The construction and operation of pipelines or refineries are not to be the major focus of the Corporation's activities. Nor does there appear to be any thought of distributing oil or gas directly to consumers.

Control and the corporation

With any public corporation the question of public accountability and control properly becomes a key consideration. As a new entrant in the oil and gas industry, the Corporation will no doubt attract the continuing attention of the Legislative and Executive branches of the Federal Government, of the Federal court system and of State and Local Governments.

Congressional control

The Congress will be able to exert all its traditional controls over the ongoing operations of the Corporation. The five man board of directors must be appointed by the President, but with the advice and consent of the U.S. Senate. Any member of the Board may be removed by a joint resolution of the Senate and House (Sec. 34(c)(8)).

Various reports and documents must be filed with the Congress on the Corporation's financial and business activities.

Except for certain trust funds such as that for Social Security, Congress exercises its power of the purse in a two step process. Authorizing legislation from one of the legislative committees ordinarily precedes action by the real purse strings bodies—the committees on Appropriations.

Authorizing legislation has the effect of determining the form in which money can be spent and setting an overall limit to expenditures. Appropriations committees cannot change the form of an authorization bill, but may decide to appropriate a considerably smaller amount of funds than that contained in an authorizing bill—or in fact may decide to appropriate no funds at all.

The bill under consideration would authorize the Corporation to spend fifty million dollars a year for ten years. Any money appropriated by the Appropriations Committee under this authorization would remain available until actually spent.

The Corporation does have some authority over its own financing. The corporation may raise money for capital expenditures through bonds sold on the private market or in some instances to the U.S. Treasury. The bonds may or may not carry a U.S. government guarantee and are to be callable at the option of the Corporation.

The Corporation is specifically made subject to the Government Corporation Control Act. Passed in 1946, covered government corporations are required to submit annual, business type budgets to the Congress. In addition, the financial transactions of the Corporation would be subject to audit by the Government Accounting Office.

In fact, the Corporation is subject to all the traditional controls of Congress—advice and consent of the Senate, the power of the purse, oversight hearings and the GAO.

Executive control

The President is specifically empowered to appoint the Board of directors, designate a Chairman of the board, and pick all subsequent directors. In addition to the reports and budget documents required under the Federal Corporations Control Act, the Corporation must report at least once a year on its "operations, activities, and accomplishments". (Sec. 34(m)) (The Chairman of the Senate and House Committees on Appropriations and Commerce will also receive a copy.)

Considerable consultation with the Secretary of the Treasury is also required before

Corporation bonds or other obligations can be sold on the private market. (Sec. 34(f)(4))

The Corporation is also subject to a host of government laws and regulations—safety, environment, national defense and so forth. To the extent that the President can influence these laws and regulations he can influence the Corporation.

Control by the courts

Although the bill is silent on the questions of Sovereign immunity and the specific jurisdiction of the Court of Claims, the Corporation is designed to be subject to essentially the same judicial controls as other corporations. In particular, the Corporation can sue or be sued in its corporate name. (Sec. 34(e)(2)) However, the Corporation may be exempted from State or local laws and hence state or local courts if the State Law would "impede its ability" to achieve its stated purpose. (Sec. 34(1))

Control: A summary

The proposed Federal Oil and Gas Corporation Act has sought to balance the desirability of commercial flexibility against the need for public accountability.

Through a suspension of the civil service rules, grants of authority to seek debt financing, and the creation of a business type corporate structure, the Corporation has much more flexibility than a standard government agency. On the other hand, most of the traditional Congressional controls are retained. Standards of performance, frequent reporting requirements, and the operation of the Corporation in an environment of existing federal laws, subject the Corporation to the scrutiny of the Executive branch and the public.

Economic Policy: A Series of Questions

Public enterprise in the developed countries has always been shrouded in political and intellectual controversy. Is it needed? Is it a desirable form? How can one judge its efficiency? Should it follow general commercial practices? If not subject to the rigors of maximization, what policies should it follow? How will it price its goods and what standards will be used for capital investment? In areas of policy the bill provides only very general answers to these questions.

Capital policy

The Corporation is designed to receive a yearly appropriation for Congress for the next ten years. Beyond that sum, long term capital financing will have to be found in the private market place. The presence of government guarantees will aid in the process, but the pressure to earn a return large enough to satisfy any bond obligations will certainly be present.

Most private corporations rely on both equity capital and private borrowings for their capital needs. The equity, usually in the form of common stock, need never be paid back. Nor does the common stock impose any legal obligation to pay dividends. The Corporation would operate in a roughly similar manner. As drafted, the bill provides the Corporation with an initial capitalization and does not require payments of interest nor amortization of the principal.

No specific standards are set for determining an acceptable rate of return on investment or mandating a particular benefit cost criteria for investments. The Corporation, cannot, however, invest in whatever it chooses. Its area of investment is clearly limited to the oil and gas industry—with a distinct emphasis on exploration, development and research.

Pricing Policy

No area of public regulation has engendered more academic controversy than the question of developing a proper guide for pricing policy. The same unsettled dispute still exists over the pricing policies of publicly owned corporations. Should the public corporation follow essentially commercial practices? And if so, exactly what practices?

No one policy has been followed by existing public corporations operating in basically privately owned economies. There is, however, a general trend to covering all costs. For instance, the nationalized coal and gas industries in England must cover all costs as must the Tennessee Valley Authority.

Deciding to cover all costs does not end the controversy. What costs are to be included? A federally owned corporation generally does not pay insurance premiums nor is it usually subject to state, federal or local taxes. It may of course make payments in lieu of taxes. And then there is the question of capital. If the public corporation is to be both an efficient producer and a valid yardstick to measure the performance of private firms, must standard depreciation rules be followed?

The bill under consideration does contain some guidelines for pricing. All sales by the Corporation are to be at "fair and reasonable prices . . . designed to promote competition among suppliers" of energy resources. (Sec. 34(1)(1)) Although not actually subject to the taxing power of state and local governments, the Corporation will make payments in lieu of property taxes. In addition, the natural gas activities of the Corporation will be subject to regulation by the Federal Power Commission just as if it were a private business.

A Summing Up

The proposed Corporation would presumably concentrate its energies on the exploration for gas and oil and in research on non-polluting energy sources. The Corporation would be granted considerable autonomy in financing, labor policy and investment decisions. Public control over the Corporation would be exerted through the continuing power of Presidential appointments, the whole gamut of Congressional checks and the regulatory power of the Federal Power Commission.

Part II: The oil and gas industry in five developed countries

From the start of the Republic, the U.S. government has been involved in the creation of public enterprises. The Post Office is one of the oldest if not always the proudest example of public involvement in the business world.

Over the course of American history, the government has chosen a variety of methods to deal with the private sector. Standards of conduct, rules of disclosure, limits on monopoly power, and direct regulation of whole industries have all become part of the American business scene. The tax laws, import controls, export subsidies and a host of other measures have also helped set the flow of private business energies—sometimes to encourage, sometimes to discourage, sometimes to supplement, sometimes to supplant private activities.

The general outlines of the proposed Federal Oil and Gas corporation are fairly clear. Existing legislation provides a sketch of corporate activities, financing and pricing policies. But the question remains, can we do it? Is it possible to create an economically viable Federal Oil and Gas Corporation in the United States? Are the petroleum reserves available? Can a fledgling corporation attract and hold the requisite technical talent? Is public financing a viable procedure? Can a public enterprise be run in an efficient manner? Can a public enterprise be used to bring competitive pressures on private firms?

And to what extent can a public enterprise be used as yardstick to evaluate the performance of the private sector?

In an attempt to gain answers to these problems, two major avenues of empirical research appear promising. On the one hand, the history of the American experience with public enterprise should be examined. On the other hand, a number of foreign governments have rather extensive involvement

with their oil and gas industry. The pattern of their involvement may provide valuable clues about the economic efficiency of public enterprises.

Below is a brief summary of the approaches used by a number of developed economies in dealing with the energy field. A subsequent section will provide a brief review of the possible economic lessons from the experience of the Tennessee Valley Authority.

The United Kingdom

Energy policy in the United Kingdom has been an interesting amalgam of public corporations, tax incentives, minority participation in a major oil firm and a market left open to the large international oil companies.

A wave of nationalization followed the Labor party victory in the aftermath of World War II. The National Coal Board was established in 1947, the British Electricity Authority in April 1948 and the Gas Council in 1949. Although these new bodies brought greater public control and more co-ordination to energy policies, the nationalizations were built on a base of existing public regulation or municipal ownership.¹

At this time, domestic energy supplies were almost entirely built around coal. Gas was made from it and coal was relied upon to fire the steam driven electric plants.

British policy toward liquid hydrocarbons—specifically oil and natural gas—has been conditioned by a long time scarcity of domestic supplies and turn of century British ambitions. Only recently have the discoveries in the North Sea raised the possibility of a Texas by the Thames sort of situation.

British Petroleum

Originally known as the Anglo-Persian Oil Company, British Petroleum has become one of the largest of the international oil companies. The history of British Petroleum reaches back to the turn of century when a venture of William D'Arcy, an Australian grown rich on gold mining, struck oil in what is now Iran.

Faced with the steady conversion of ships to oil fuel, Britain became increasingly concerned about its dependence on an American dominated market. Winston Churchill, acting as First Lord of the British Admiralty, entered into a long term Navy contract with Anglo-Persian. At the same time, the British government invested some two million pounds in the enterprise.

Despite a large interest in British Petroleum (currently 49 percent) the British government has taken "... no active part in the actual management or even in shaping the long-range policy of the company". "... Government members of the board have some narrowly defined rights of veto to be exercised only in certain circumstances".²

Although direct interference in the affairs of British Petroleum have been rare, the government has provided BP with investment funds, guaranteed markets and used the diplomatic resources of the British crown to open up opportunities for new sources of crude oil.³

The Domestic Market for Petroleum and Natural Gas

The domestic market for petroleum products has been left in private hands and those of British Petroleum, with BP controlling about 25 percent of the total market.⁴ The government has the legal power to exert considerable pressure on oil and gas prices because it controls the prices of various substitute energy forms—particularly coal and electricity made from coal.

In an attempt to locate domestic supplies of crude oil, Britain has relied on cash grants for exploration and various tax breaks for capital expenses.

Footnotes at end of article.

"Losses including relief for capital expenditures not allowed currently . . . can be carried forward indefinitely against subsequent profits of the same trade".⁵

North Sea Developments

The discovery of natural gas in the North Sea has led to a rush of exploration. Under leasing policies of the British Government, "all the major international oil companies were participating, together with four entirely state owned corporations—the Italian public petroleum enterprise known as ENI, the British Gas Council and the National Coal Board and ERAP (an enterprise of the French government)—and several private companies with no previous oil industry connection".⁶

In 1970, oil was discovered in the North Sea. The long range energy outlook for Britain and her North Sea neighbors looks increasingly bright.

Canada

Up to the present time (early 1974), Canada has chosen a relatively free market solution to its oil and gas industry. Rather than establish its own federal hydrocarbon corporation, Canada has used tax expenditures, export controls, and production controls to encourage exploration and regulate supply. Direct government participation in exploration was limited to those situations "where private companies feared to tread." The near future may, however, bring about a radical departure from this policy—the government of Canada has committed itself to present legislation to establish a national oil and gas corporation.

Canada, like the United States, governs through a federal system. Control over mineral resources is thus split between the federal and the provincial authorities. Provinces control mineral rights on their land and have the power to regulate production. The national government in Ottawa controls interprovincial flows of resources, the development of mineral rights in the Territories and any foreign trade in oil and gas.

Traditionally, Ottawa has operated through a Department of Energy, Mines and Resources (hereafter EMR). For the most part, EMR has busied itself with mapping, geological surveys and the marketing of minerals. As of 1971, however, EMR was charged with the responsibility of advising the government on national energy policy.⁷ In 1959, the National Energy Board (NEB) was established "to remove decisions on pipeline construction and natural gas exports from the political arena."⁸ The NEB reports directly to EMR.

Exploration in the off-shore areas is regulated by the EMR while the Department of Indian and Northern Affairs (DINA) controls mineral rights in the northern territories.

Provincial regulation of the oil and gas industry is extensive. "The regulatory devices of the provinces includes statutes and regulations dealing with conservation aimed primarily at the prevention of waste, the regulation of the spacing of wells and strict control over drilling and production practices. Each of the five oil producing provinces with the exception of British Columbia, has specific legislation dealing with prorationing of production to market demand."⁹

Despite the split in authority, the Canadian government has relied largely on tax expenditures and export controls to bolster its oil and gas industry. Like Australia, Canada has permitted the large, vertically integrated, international, mostly American oil companies to have extensive access to the Canadian market. "... a small group of foreign-controlled companies has virtually complete control of petroleum marketing in Canada."¹⁰ There is also significant foreign participation in oil and gas pipelines, coal

mining, uranium mining and exploration for new petroleum reserves.

In terms of tax incentives, Canada has combined liberal deduction provisions with an oil depletion allowance. "Exploration, intangible drilling and lease acquisition and retention costs are deductible when incurred. Any excess of these costs over production income may be offset against refining, marketing or transportation income and any excess over total corporation income may be carried forward indefinitely".¹¹ In Canada, depletion is based on $\frac{1}{2}$ of net production profits. (The American system allows a depletion deduction of 22 percent of gross income.)

Ottawa has made one direct entry into the oil and gas industry. Convinced that potential reserves existed on some arctic islands but unable to induce private capital to take the risks, the Canadian government formed Panarctic Oils, Ltd. in the mid-1960s. A controlling 55 percent of the common stock was in private, mostly Canadian hands. The remaining 45 percent is vested in the government. Four senior civil servants are members of Panarctic's board of directors—two from DINA, one from the Department of Public Works and one from EMR. According to one commentator, "Panarctic is managed entirely according to the techniques and concerns of the private business community and in ways which give it no unfair commercial advantage over other private companies which are engaged in oil exploration".¹² There is no indication that the company has been used to preempt opportunities open to other companies or that the government presence has led to either inefficiencies or uncontrolled growth.

The history of oil and gas discovery in Canada is rich but relatively short. From the first major discoveries in 1947, Canada has proved to have some of the richest fields in the world. As of 1972, however, 80 percent of Canada's production was concentrated in one Province, Alberta.

The concentration of oil resources in Canada's largely agrarian West coupled with the power of the provincial governments has created a potential problem for Ottawa and the more industrial east. Although Canada is self-sufficient in petroleum on a net basis, this involves substantial exports of oil and natural gas from the West to the United States and substantial imports by Eastern Canada. The result is a mixture of potential self-reliance and dependence on imports. As oil revenues continue to rise, there may be a steady shift of national wealth from the eastern provinces to the western.

The oil crisis, the existing predominance of American based international oil companies and growing Canadian nationalism have all influenced the Canadian government's decision to seek legislation establishing a federal oil and gas corporation. In the absence of a concrete proposal, it is impossible to compare the Canadian model with that proposed in the federal oil and gas corporation bill. But with the example of Panarctic at hand, one might expect a combination of Canadian government presence with an emphasis on business efficiency.

France

Compared to the American and British experiences, France was a relatively late entrant into the oil and gas industry. Despite the example of oil poor Britain and her own obvious need for oil in World War I, it was not until 1920 that France secured some oil concessions. It was as part of the San Remo agreement that France acquired a share of German interests (relinquished by the Treaty of Versailles) in Iraq.¹³ "Since this acquisition was of a straight political nature, without emerging as part and parcel of an industrial development as it had done

in Britain, the French government had also to provide a structure in the sphere of refining and distribution which could cope with the crude oil to which it was entitled".¹⁴

The French responded to the challenge by establishing the Compagnie Francaise des Petroles (hereafter CFP). From the start, the French government held a minority position in the company. The percentage has risen over time from an original 25 percent¹⁵ to 35 percent ownership and 40 percent voting control.¹⁶ At the same time, the French government established the Compagnie Francaise de Raffinage (hereafter CFR). The majority control was vested in CFR with the French government having a direct 10 percent interest.¹⁷

The government also acts directly in the industry through a number of wholly owned companies and government agencies. The Bureau de Recherches de Petroles (hereafter BRP) is a "... financially autonomous public agency ... subsidized by the State and empowered to undertake initial surveying and general information projects ...".¹⁸ National entities also supply heavy drilling equipment and have struck oil in France.¹⁹

All this is not to say that the French government is the sole actor in the French oil and gas industry. The international oil giants are heavily involved in both the refining and distribution of oil in France. France does not rely solely on its direct participation in the industry to regulate the oil giants. In 1928, the year in which CEP was founded, the French government was granted monopoly power over the oil industry. Although the government has chosen to delegate that power to private refineries and distributors, the original legislation set the basis for rather extensive controls. Government corporations are favored through import restraints, refining and marketing regulations, and direct subsidies.

The French also use tax incentives to encourage exploration by private firms. The government will allow an oil company a reserve that is defined by a combination of gross sales and net profits. To retain the reserves, "... such amounts must be reinvested within 5 years ..." in fixed assets, exploration for oil and gas or "... in certain companies approved by the government". If the funds are not reinvested, they become subject to taxation as ordinary income.²⁰

French government intervention in the oil and gas industry does not end with direct participation, import controls, subsidies and tax incentives. The Ministry of Finance has the power to regulate prices. However, "only ceiling prices are set and actual market prices in the past have frequently fluctuated well below the ceiling".²¹

Like the Canadians and the Australians, the French have used a panoply of indirect controls. Import restrictions, price controls, and tax incentives are all part of the French policy structure. They have also allowed a number of the giant international oil companies to compete within their borders. But through both majority and minority ownership, France has taken the path to public enterprise. How have these enterprises fared? Have they saved French interests at a reasonable price or has the penchant for Gallic grandeur put a heavy burden on the pocket book of the French consumer?

French policy has long been set in terms of assuring a national stake in world oil supplies. She has sought to have the French companies (chiefly CEP and Elf/ERAP)²² (a) control crude oil reserves roughly equal to domestic French consumption; (b) maintain 50 to 60 percent of the petroleum product market within France and (c) to refine and market abroad an amount equal to foreign participation in the French market.

The price of this policy has been persistent intervention in the oil and gas industry. From the start, France had to inter-

vene on behalf of its own enterprises that were to compete with the large international firms. "... because CFP's position had to be buttressed, all other companies too had to work within a system of safeguards which made it exceedingly dirigiste all around, but also remarkably remunerative for the companies operating within it".²³

The French public firms have attracted considerable managerial talent and do compete with the giant international firms around the world. CFP, after all, has become the world's 8th largest integrated oil firm. It must operate on limited home country reserves and in response to a number of national objectives that do not strictly reflect a profit maximization model.

German Oil and Gas Industry

Relative to other Western European countries, West Germany has followed a largely free market policy with regard to the oil and gas industry. Not only are all sectors of the business—exploration, refining and distribution—open to private firms, but all three are in fact dominated by the large international firms.

Nor has Germany attempted to invoke price controls, price ceilings or other price limitations. Prices have been left to the market.

This is not to say that petroleum poor Germany has been without state activity in the oil and gas industry. Tax expenditures, loans, subsidies and direct state participation in the oil and gas industry have all formed a part of German policy.

The costs of any geophysical surveys and dry wells can be charged off immediately against any tax liability. Productive wells can be depreciated at an accelerated rate.²⁴ And there is special provision for the foreign investments of German oil companies.

In addition to tax expenditures, Germany has recently (1970) offered low interest loans for oil and gas exploration. For German firms, the loans may cover up to 75 percent of any exploration expenditures. Should the endeavor be unsuccessful, the unpaid balance of the loan can be converted into a direct subsidy. Even if successful, certain financial circumstances can justify converting up to 50 percent of the loan into a subsidy.²⁵

Up to the present time, the German state has participated in the oil and gas industry through the ownership or partial ownership of a number of corporations. The keystone of its direct participation is Veba, a holding company that administers "the operations of firms in the chemical, power, glass, and trade/transportation" industries.²⁶

The state also controls the Rheinisch-Westfaelisches Electrizitaestwerk AG (hereafter RWE), the Federal Republic's major power producer. RWE in turn "is an active participant in the oil industry through its full ownership of Union Rheinische Braunkohlen Kraftstoff AG (hereafter UK Wesseling) and its 48 percent ownership of Gelsenberg. U.K. Wesseling gives the government control over a major refinery in the German market while Gelsenberg AG, like Veba, is a holding company, with interests in petroleum, chemicals, nuclear power, and trade and transportation. It "is practically the only German independent with sizeable foreign oil concessions".²⁷

With holdings concentrated in Libya, recent political events have reduced the production from the Gelsenberg fields (jointly held with Mobil oil) and deterred any further exploration.

Oil now constitutes some 55 percent of all German energy needs. With extremely limited domestic resources, small German firms, and little state intervention Germany has become extremely dependent on foreign oil and on the large international firms. German companies control about 25 percent of the domestic petroleum market but had limited control over foreign supplies.

In an effort to put more of the domestic

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oil and gas industry in German hands, the Federal Republic has encouraged overseas exploration and attempted to merge separate German oil companies into one large firm.

Encouragement to foreign exploration came first. In 1969, the Federal Republic established the Deutsche Erdöelversorgungsgesellschaft mbH (hereafter DEMINEX). Capital shares of 18.5 percent are owned by VEBA, Gelsenberg, UK, and Wintershall AG. The bulk of the remaining shares are controlled by state owned or state controlled firms. Only Wintershall AG is neither state owned or controlled.

Funds for DEMINEX have come from government loans and grants. DEMINEX is exploring on a world wide basis and has concessions ranging from Canada to Indonesia.²³

The Federal Republic is currently (February 1974) attempting to merge all the German oil and gas companies into one large, integrated firm. This "super-VEBA"²⁴ would ideally combine VEBA, Gelsenberg, and Westerling, and a number of other companies into one firm.

The result would be the second largest company in the German Republic. The combined firm would also have clear control over the new exploration company, DEMINEX.

Financing for the scheme seems far from certain and the privately controlled firm of Wintershall AG, is a reluctant partner at best. Wintershall's controlling parent, Badische Anilin and Soda-Fabrik (hereafter BASF) "has categorically rejected a participation of its subsidiary in a "super-VEBA."²⁵ Wintershall is so "closely related with the parent company that its extraction from the company set-up would complicate BASF's entire chemical production program."²⁶

Throughout most of the post-war world, the Federal Republic appears to have been relatively inactive in the world wide scramble for oil and gas. The international companies ruled the German roost. The state does not seem to have used its direct participation in the oil and gas industry to act either as a yardstick for the performance of other firms nor as a method of securing a firmer access to crude oil supplies.

Italy

Italy has followed the usual European pattern of mixing tax incentives, price controls, reliance on the large international firms and direct participation in the oil and gas industry.

Refining capacity is largely in private hands although the state also runs and constructs refineries. The government has set limits on capacity and also controls the percentage of capacity that can be used at any one time. The construction of new refineries is further complicated by the need to acquire a local permit—something that has become more difficult as a result of growing environmental concerns.

Distribution of gasoline is in the hands of a number of the large international firms as well as the state owned Ente Nazionale Idrocarburi (hereafter ENI). Price controls based on historical costs have created a persistent profit squeeze in the light of general inflation and world shortages. Because of these pressures, BP has already withdrawn from the Italian market and Shell is attempting to follow suit.

Italian tax incentives for the oil industries are different from those of most developed countries. Rather than following the quick write off or depletion allowance approach, Italy will exempt from national income taxation, 50 percent of the income from oil or gas production in the Italian waters or in Italy's continental shelf—as long as the income is reinvested in exploration for oil or gas in areas of Italy that are not reserved to ENI. A similar exemption coupled with a requirement for further exploration

exists with regard to oil or gas produced in southern Italy or Sicily.²⁷

And then there is ENI—explorer for oil around the world, refiner of oil and distributor of gasoline and natural gas, constructor of pipelines and refineries, maker of textiles and the owner of motels. ENI has served both as an international company and an agent for national development.

The roots of ENI reach back to the early days of Italian fascism. Failure at the peace table following World War I, led Italy to form the Azienda Generale Italiana Petroli (hereafter AGIP) in 1926. As an exploration and production company, AGIP's first twenty years proved to be relatively unproductive. It did secure control of "some medium sized oil companies",²⁸ in Rumania and obtained a temporary foothold in the Iraqi oil fields. Azienda Italiana Petroli Albanesi (hereafter AIPA), a subsidiary of the Italian state railways, had developed limited sources of Albanian crude oil that were brought within AGIP's ambit. Although potentially rich, AGIP sold its Iraqi concession because Mussolini "... was short of foreign exchange and ... could no longer face the substantial financial effort involved in exploration".²⁹

It was in the distribution of petroleum products (gasoline, fuel oil and kerosene) that AGIP met its greatest success. By the beginning of World War II, AGIP supplied about 25 percent of the Italian market (including some preferential markets in the Italian colonies).

Following the French example, the Italian government attempted to increase the amount of crude oil refined within its borders. In 1932, Italy gave customs preference to domestic refineries by raising the duties on imported refined products. Italian refineries were also "... assured a market since imports were allowed only if and when the home-refined products had been disposed of".³⁰ In 1936, the Azienda Nazionale Idrogenazione Combustibili (hereafter ANIC) was formed to refine the heavy Albanian crude. Formed by AGIP (25%), AIPA (25%) and the privately held Montecatini (50%), ANIC eventually created a joint refining venture with ESSO and was itself merged into ENI.

ENI and Enrico Mattei

A good deal of literature on ENI has focused not so much on its economic activities as on the political career of its first President, Enrico Mattei. A former businessman and Italian partisan, Mattei was installed as the head of AGIP at the end of World War II. Cleverly exploiting new Italian oil discoveries by AGIP and publicly challenging the international oil giants, Mattei built first AGIP and then ENI into a major force in world oil and gas.

In 1953, Italy moved to consolidate its various oil and gas activities in ENI with Mattei in charge.

From the start ENI became a vertically integrated oil and gas corporation. Through STANIC, the joint venture with Esso (now Exxon),³¹ ENI had initial refining capacity. AGIP explored for oil both at home and abroad and was a major distributor of petroleum products for the Italian market. ANIC was involved in petrochemicals and other divisions were involved in transmission of natural gas, construction of refineries and drilling for oil.

The Società Nazionale Metanodotti (hereafter SNAM) was originally active in distributing Po Valley natural gas under the AGIP label. "Built up from scratch by Enrico Mattei", SNAM has spawned two other major divisions of ENI, SNAM Progetti and SIAPEM.

At present, ENI is involved in the complete petroleum cycle, natural gas, nuclear energy, petrochemicals, motels and such diverse enterprises as textiles and compressors. SIAPEM, the main ENI "company in oil drilling, [and] construction and assembly of industrial plant and piping" competes everywhere with the large private enter-

prises.³² Another subsidiary, SNAM Progetti, is a top quality petroleum engineering that competes around the world for the design and construction of oil and gas pipelines.³³

ENI has never been simply a business-as-usual operation. In response to pressures from the Italian state, ENI has at times acted as an industrial development agency rather than strictly a national oil and gas corporation. Although many of the international oil companies have also become conglomerates none have had the specifically developmental concern of ENI.³⁴

ENI and the proposed Federal Oil and Gas Corporation

What does the Italian experience have to say about the possibility of establishing an American Federal Oil and Gas Corporation. Has ENI proved to be viable? Has she met the technical exigencies of a sophisticated industry? What pricing policies has she followed? Does ENI meet the test of economic efficiency? Does ENI provide a yardstick for judging the international oil firms? Has she regulated the internationals through active competition?

Viability

If viability depends on a continued existence, ENI has certainly proved to be viable. Despite the political and economic uncertainties that have plagued post-World War II Italian life, ENI has grown and prospered. Operating from an extremely slender crude oil basis, ENI has survived the competition of the international oil giants. No doubt, a key to the early survival of ENI was the discovery of domestic gas fields in the Po Valley.³⁵ In terms of domestic crude, an American federal oil and gas corporation would be far more favorably situated. Public lands in the United States appear to be rich in liquid hydrocarbons as well as oil bearing shale.

ENI, however, was built on the basis of a number of other state ventures into the oil business.³⁶ As envisioned in H.R. 12104, the American Federal oil and gas corporation would be largely involved in exploration and production. Markets for crude would have to be found in either independent refineries or through sales to the largely American based international oil firms.

And what is the price of gas? "ENI bases the price of one cubic meter of its natural gas on the price of the quantity of fuel oil needed to produce the same amount of heat".³⁷ The price of fuel oil, however, includes a substantial tax. ENI presented a variety of defenses for not pricing at cost of production. But the result was the same—substantial profits were channeled into ENI coffers. These profits in turn supported a number of less profitable ENI ventures.

Fuel oil: ENI has a virtual monopoly on Po Valley methane gas. In the area of fuel oil, however, it is only one of many suppliers. During the era of Po Valley gas, ENI's dependence on natural gas profits which in turn were tied to the price of fuel oil probably exerted an upward influence on fuel oil prices.³⁸ With the Po Valley deposits nearly exhausted, ENI's fuel oil policies will presumably undergo some modification.

Gasoline: The pump prices of Italian gasoline is largely influenced by the amount of tax. The cost of the gasoline itself has been quite low in the not-too-distant past. Starting from the high tax base, the government has considerable leeway to influence the size and timing of any changes in gas prices. One student of ENI, felt that AGIP had clearly exploited tax decreases to claim a commercial success.³⁹

Efficiency? With a complex firm like ENI, the first question must be efficiency at what? On the one hand, ENI has been asked to act as a development agency and a savior for failing companies—burdens not thrust upon her privately held competitors. On the other hand, some ENI divisions compete head on with private firms and more than hold their own. ENI has not been successful in finding

²³Footnotes at end of article.

extensive oil and gas resources in Italy—but that is not a clear measure of efficiency either. The practice of publishing consolidated balance sheets and an early and longstanding policy of company secrecy, have made strict comparisons with private companies—whose costs are also closely held secrets—even more difficult.⁴⁵ A final answer must be held in abeyance.

The Yardstick? In absence of published data, it is hard to know exactly what sort of a yardstick ENI would make. ENI does not pay national income taxes, but substantial portions of its income are returned to the state as dividends.⁴⁶ No doubt, ENI's active participation in all phases of the oil industry has increased the government's potential knowledge of oil company economics. Such knowledge could form the basis of intelligent regulatory policy, price controls, or tax incentives. However, during the Mattei period at ENI (Mattei died in a plane crash in 1962), the books were probably as closed to the government as they were to the public.⁴⁷ But the potential for knowledge was always there.

ENI as a new force: A challenge to the Seven Sisters

Has ENI effectively regulated the international oil giants through the force of competition? At one time, ENI broke with the standard international oil profit sharing formulas in an attempt to secure its own supplies of crude. AGIP's presence coupled with price controls has resulted in what can only be termed an "overly" competitive squeeze on the distribution network of the internationals inside of Italy.⁴⁸ ENI has been a competitive factor—how big a factor it is hard to say.

Part III. The Tennessee Valley Authority: A model government corporation?

The preceding summaries have shown that a number of foreign governments have chosen to intervene directly in the search for energy resources. Two of the five studied have state oil and gas corporations, two have minority interests in oil and gas corporations, and one is pledged to introduce legislation to establish such a corporation in early 1974.

All of the foreign governments were responding in part to the circumstances of their particular national economy. Smaller markets, a different legal tradition, resource scarcities, the dominance of the privately owned seven sisters, wars and depressions have all played a part in bringing governments into the search for oil and gas.

In most cases, the economic performance of the foreign state-run oil companies has been difficult to judge. The literature is relatively scant, data are often closely guarded and even the standards for judgment are in flux. Some state companies are asked to act as development agencies and some may act as employers of last resort—combining the role of oil and gas company with that of public service employer.

Whatever the final judgment on their economic performance, the foreign state run oil companies exist, they have survived and they are clearly able to compete with the large international oil companies.

What does all this say for American policy? Are conditions here that much different from the rest of the Western World? And could a U.S. Federal Oil and Gas Corporation be economically viable in these different circumstances?

To a considerable extent the American government is already involved in the oil and gas industry. Special tax provisions have been adopted to encourage the exploration for oil and gas. The government has a long term experience in the regulation of natural gas prices and more recent regulations have covered the pricing and distribution of petroleum.

Footnotes at end of article.

In most countries, ownership of the surface soil does not convey control of the subsurface mineral rights. Such rights are ordinarily vested in the Crown or State. Although this is not the case in the United States, the American public lands are massive and rich in mineral resources. Substantial deposits of oil and gas as well as oil bearing shale are to be found on land owned by the U.S. government. At present, the U.S. government follows a practice of competitive or negotiated bidding for leases to exploit mineral riches of the public lands rather exploring itself.

The international oil companies that appeared to present such an obstacle to Italy's Mattei have a very different relationship with the American government. For one thing, most of the large integrated oil combines are American based multinational companies. Among the "seven sisters" only British Petroleum and Royal Dutch Shell are not American in origin. With abundant domestic reserves of coal, and rich publicly owned reserves of oil, the American government has an obvious bargaining lever with the oil multinationals that would be denied to many other countries.

Foreign governments also have a longer and much deeper involvement in their respective economies. The exigencies of the great depression, the demands of a world war, the legacies of failed dictatorships and socialist pressures for nationalization have put many corporations in the hands of foreign governments. The British government is responsible for running railroads, generating electricity, selling gas, mining coal and currently controls most of the British Steel Industry. Italy controls a host of industries—partly through the growth of ENI (the state oil combine) and partly through the acquisition of failing private firms. France drills for oil and sells gas. She also manufactures automobiles. And municipal governments in the United States are heavily involved in generating electricity, distributing natural gas, supplying water and operating telephone systems.

American experience with federally run industries is much narrower. Massive loan programs of the Reconstruction Finance Company characterized both the Great Depression and World War II. But this did not involve operational control. For instance, the Government financed a major expansion of domestic synthetic rubber capacity. The plants themselves, however, were constructed and run by private rubber companies on a cost plus basis.

There is the postal service—but until recently the postal service was run as a government agency rather than a corporation and was forced to provide a number of services below cost. Even in the area of power generation the government has generally mixed regulation with direct operation by government agencies. The major exception to this general rule is the Tennessee Valley Authority.

The history of the Tennessee Valley Authority dates at least to World War I. In an effort to meet the industrial demands of war, the Federal Government constructed two nitrate plants, a steam power plant and Wilson Dam at Muscle Shoals all in the Tennessee Valley.

There followed a considerable controversy about what to do with the government nitrate and power facilities. In 1928, Congress passed a bill to establish a regional development and power authority in the Tennessee Valley—President Coolidge vetoed the bill. A similar bill was vetoed by President Hoover in 1931. A third such bill was signed by President Roosevelt in 1933.

The Tennessee Valley Authority was specifically designed to have much of the flexibility of a private enterprise. Instead of establishing another government agency, Congress created a public corporation, freed the corporation from normal civil service employ-

ment rules and gave the corporation relatively large amounts of fiscal discretion.

The corporation was to be run by a three man board of directors who would serve overlapping nine year terms. Most of the day to day management of the TVA was to be delegated to a General Manager.

In an effort to guard against the political spoils system and to secure qualified people on a fair basis, the Congress has subjected most government agencies to the requirements of the U.S. Civil Service Commission. But the TVA was to be different. Congress was "afraid to have the Authority's employees selected by an outside agency on the ground that this would mean applying a test which no man engaged in that particular business in a private way would apply . . ."⁴⁹ As a result of using the private business standard, the board was given the power to remove any employee at its discretion.⁵⁰

With flexibility went the potential for greater political play in hiring. Congress guarded against this through explicit language in the statute making hiring and promotion a function of merit and efficiency. Violations were to be handled through summary dismissals. Board members themselves were to be removed by the President should they violate the prohibitions against political favoritism.

How well does this system work? Commentators generally agree that the TVA hiring procedure has been free from political influence.⁵¹ But what about procedure? The sheer difficulty of establishing a personnel policy, recruiting and promoting individuals and properly determining skill needs could stagger any new enterprise—public or private. TVA took civil service as a model and then adjusted for its own needs. For instance, throughout its formative years, TVA had "no formal promotion procedures", not even public announcements of vacancies. Again, the standard of private business was followed rather than that of a government agency.

Capital

By the end of World War II, the TVA had already spent hundreds of millions of dollars, built numerous dams, constructed a number of steam plants and helped establish an extensive municipally owned system of distribution for electric power.

In establishing TVA, Congress was faced with three basic alternatives for funding the new authority. Congress could choose from its armory of various appropriation weapons—granting limited or extensive autonomy to the TVA. A grant of authority to float bonds would have been another possibility. Congress could also have forced TVA to rely largely on internally generated revenues—much as major corporations have come increasingly to rely on internally generated funds.

Congress took a leaf from all three books to give TVA flexibility and yet retain Congressional control. TVA was granted limited authority to issue bonds, the rights to spend its own revenues on certain kinds of operations and⁵² regular appropriations.

Appropriations come in all sorts of legislative packages. Ranging from permanent appropriations to closely detailed annual appropriations, Congress has considerable scope in granting fiscal flexibility to agencies of the Government. In the case of the TVA, Congress mixed annual appropriations with very general language. Congress combined adherence to the private business standard in giving the TVA considerable flexibility yet preserved for itself the right to have an annual look at any new and controversial program.

In terms of initial capital, TVA depended neither on its own resources nor on the private capital market. Public funds provided the initial basis for construction of new plant and equipment.

Price: What charge for electricity?

According to the original statute, TVA was not primarily established to sell electricity. Its primary purposes were to prevent floods and maintain navigation—and only then to devote its attentions to the generation of power.

But the choice of pricing policy centered almost entirely around electricity. Congress had been silent on the matter other than to indicate that the price had to cover the costs generating and transmitting the electricity. From the outset, TVA attempted to expand its market through lowering prices. A combination of an elastic demand for electricity and steadily decreasing costs allowed the TVA to follow a low price policy and still cover its costs. Private companies had operated in the Tennessee Valley for some time—why had not they seen the profit potential in lower prices? The answer probably lies in the combination of TVA's developmental mission and the government backing that allowed TVA to take risks that might have been unacceptable to a private concern. After all, the demand curves that populate economics text books are not writ large in real life circumstances. Imperfect market studies, estimates of income elasticities, economic projections and a feel of the market can only give a most imperfect picture of the economic future. A lowered price may bring substantial benefits or financial disaster. In any case, the TVA price strategy was not only successful in financial terms but also brought substantial benefits to consumers throughout their eight state area of service.

CONTROL: FLEXIBILITY WITH FETTERS

TVA was and remains different from other agencies of the federal government. It is exempted from the civil service, has a certain power to raise funds through issuing bonds, can spend its own receipts and has relatively broad discretion in spending appropriated funds.

But TVA is not now nor has it ever been a truly independent corporation. The board of directors is appointed by the President rather than by stockholders. From the start, Congress had maintained an annual review of the TVA. Subsequent to the passage of the Government Corporation Control Act of 1945, the TVA submitted a business type budget to the Bureau of the Budget (now the Office of Management and Budget) and to the Congress. In addition, Congress has held investigatory hearings on the TVA—a type of scrutiny applied to few if any private corporations.

Congress has found no major difficulties in keeping the TVA under control. It has from time to time limited its ability to borrow as well as the ambit of its geographical growth. Such "requirements have clearly limited the freedom of the" . . . TVA. Whether they have impaired its advantages as an agency of administration is still a matter of dispute.¹⁴

The Yardstick Debate: Does the TVA Rule Have a Full 36 Inches?

The average private company has to wrestle with an array of taxes, capital costs, operating expenses and the clamor of investors for a reasonable return on the investment. To what extent is TVA subject to the same pressures? And to what extent can the TVA performance be used to measure the performance of private power companies?

As noted above, the TVA pays a fixed percentage of its revenues in lieu of taxes. The percentage is somewhat below the average amount paid by private firms—and of course TVA does not pay federal income tax.

Capital costs is another area in which TVA differs from a strictly private firm. Some TVA capital comes directly from Congress. Interest payments on government bonds are generally lower than private corporate bonds because the risk of default is less. These two items would tend to underestimate TVA costs

compared to those of a private firm. On the other hand, TVA is in the process of paying the government back for all the capital it has invested. A private corporation need never pay back its equity holders—a distinct advantage over TVA's financial situation.

The TVA is under an obligation to cover all its power costs. However, the determination of those costs, particularly capital costs, is a far from simple matter. It is the multi-purpose hydroelectric projects that have precipitated so much controversy. When a dam improves navigation, provides irrigation for crops, and power for electricity, how much of the dam's cost should be allocated to the generation of power? The allocation of joint costs among a number of products is seldom a simple procedure. To the extent that the TVA depends on hydro-electric power, there will be controversy over the allocation of joint costs and thus over the extent to which TVA could act as a proper yardstick for private firms. No such problem exists however, with regard to TVA's steam facilities.

So what kind of comparisons can be made? TVA's costs are not exactly the same as those of a private firm. If electricity were extensively regulated by the federal government, no doubt the TVA experience would provide a rich source of data on current and capital costs, potential profits and general market conditions. But there does appear to be at least an extra inch or two in the TVA yard.

Part IV. Summary and conclusions

The preceding sections have raised a host of questions about the operation of a federal oil and gas corporation. And the essay has found no neat and easy answers to any of these questions. Foreign experience always grows out of a particular resource endowment, a specific economic situation and a different cultural and institutional context. Nor is the development of a large river valley always a clear guide to discovering new oil fields. But despite these difficulties, the policies and programs that have been examined above do suggest some tentative conclusions.

Feasibility

Unlike many countries, the United States has a highly developed oil and gas industry. Not only do American based firms dominate the American market, but until very recently they exercised almost complete control over the world supply of oil and gas. The United States has extensive refining facilities, a massive distribution network for fuel oil, home heating oil, and gasoline. And the bulk of America's oil and gas comes from domestic sources. Except for some government reserves, all the fields, refineries, and other facilities are in private hands. Can a federal oil and gas corporation break into this highly developed industry?

Can a new federal corporation attract qualified personnel, obtain sufficient capital, find fields and establish a satisfactory market?

Personnel: In H.R. 12104, the federal oil and gas corporation would be freed from the restraints of the Civil Service Act. The proposed corporation would thus be able to hire more quickly, promote more expeditiously and structure a salary scale closely related to market conditions.

The TVA was similarly freed from the civil service rules but saw fit to emulate many of its practices. Regardless of the influence of this imitation, TVA succeeded in attracting qualified personnel. From the limited operation with minimal power generation facilities, TVA quickly grew into large concern that not only generated power but also constructed many of its own facilities.

ENI, the Italian state company, showed a similar meteoric growth. From a base largely tied to the distribution of petroleum products, ENI has become vertically integrated company that encompasses every phase of the petroleum cycle. ENI subsidiaries construct oil pipelines, refineries, and other facilities in

full competition with the best private companies.

CrP, the French national company, and the nationalized industries in England have frequently attracted top quality management talent. Apparently the pull of public service and the opportunity to operate on a large scale have continued to create a strong attraction for many managers.

None of these experiences from abroad or from our own past is really "on all fours" with the situation that confronts a Federal Oil and Gas Corporation. The TVA came on the stage in the midst of the Great Depression. ENI grew out of the ashes of Italy's defeat at war. In both situations, the rate of skilled unemployment was high. The opportunity for challenging employment must have brought many applicants. In addition, ENI was built on years of AGIP's experience. Although largely unsuccessful, the twenty years of on again off again exploratory effort by AGIP provided ENI with some kind of a starting point.

As for France and England, the civil service traditions have always been stronger than they are in the United States. Smaller national markets also make government monopolies all the more challenging.

What does all this say about hiring skilled personnel and qualified management in present day America? The specifics of the various markets for the variety of skills needed in exploring and drilling for oil are well beyond the scope of this essay. One can observe that since the world oil industry is basically Anglo-American, the existing pool of skilled personnel is mostly English speaking. In addition, America is reputed to suffer from serious unemployment or underemployment of technical personnel—particularly those in the hard sciences. Presumably some of these individuals could adapt their skills to the needs of the petroleum industry.

Good management is always in demand. By whatever design, Washington has always attracted at least a fair share of that talent. Particularly new ventures, novel programs, and efforts that speak to the national interest have been magnets for the mix of talent, service and personal ambition that is the hallmark of Washington's best managers.

By all appearances, the corporation could be staffed quickly and with well qualified people.

Capital: The public pocket or the private purse—the dilemma that confronts any public corporation. TVA started with appropriations, earned revenues and spent them, and eventually secured the right to borrow funds from the public. ENI started with existing facilities, a large government appropriation and extensive "profits" from its pricing of natural gas. CFP quickly came to earn its own way—but at the price of having the rules of the economic game tipped so that both private and public participants did well.

It is quite possible that the corporation would follow a similar path. Appropriations would start the corporation and continue so as to exert control. If successful in developing oil and gas fields, the corporation could become increasingly dependent on revenue from sales. In any case, capital for a public corporation is a matter of political will rather than the exigencies of the private capital market.

The market: In present circumstances (February 1974), it is hard to imagine there not being a market for petroleum products. It is easy to forget that only a few years ago oil imports were strictly limited so as to protect the domestic fields. What if there is a glut of crude? Will the government find itself in the position of lobbying with itself to re-impose import quotas?

Perhaps so. Should the world again become awash in oil, the operation of all domestic firms might have to be justified on other than strictly economic grounds. The needs of national defense and the value of energy independence would then have to be more seriously weighed.

There's oil in them thar hills. But which hills? Given the right personnel, adequate capital and a potential market, will the federal oil and gas corporation find the oil? To this author's understanding, oil exploration is basically a proposition of knowledge of geology, capital and patience. A combination of qualified personnel and existing governmental expertise should manage the geologic problems. The capital should be available. Given the extensive oil deposits on public lands, the answer to "which hills?" should be possible to find.

In sum, the federal oil and gas corporation appears to be an economically viable proposition.

The public corporation—can it be controlled?

There is always the fear that public agencies, public corporations, and bureaucracies are simply here to grow. The literature on organizations seeking to grow—in power, size or profitability—is already legion. There is every reason to suspect that the managers of a federal oil and gas corporation will be always looking to new fields—oil and otherwise—to conquer.

Are there controls to keep such a corporation in bounds? There are many possible controls, several of which are explicitly included in H.R. 12104. First, there is the traditional power of the purse. Appropriations can be made annual, legislative committees can hold oversight hearings, new legislation can be passed, audits may be conducted. The Executive branch can act through executive order, Office of Management and Budget recommendations, and the general suasion of national policy. And for this particular oil and gas industry there would also be the Federal Power Commission. And the courts are an ever present check on public action.

The proposed corporation would face a large and established industry. And the whole energy field appears to be technologically dynamic. Atomic power, solar energy, the winds and the sea may provide further checks on the expansion of this particular corporation.

This is not to say that the establishment of a Federal Oil and Gas Corporation will not have profound implications for the American economy. Shortages of fuel oil have already created a structure for the allocation of oil and gas. With the advent of federal production, the allocatory power of the federal government could be greatly enhanced. With an economy still greatly dependent on oil, the government might find itself in a position to determine the direction of future economic growth. The Ministry of International Trade Investment (hereafter MITI) in Japan used its control over imports to exert just such power over certain industries. For in energy poor Japan, control over imports meant control over energy.

With a nod to the possibilities of an unknown future, one would have to say that the Federal Oil and Gas Corporation could be kept well within the American system of checks and balances. The history of TVA certainly suggests such a course. Congressional hearings, new legislation and a steady hand on the purse strings all kept TVA under public control. There is no reason why the new corporation should have a different experience.

Efficiency—Can a public corporation meet a private standard?

An ideal situation for comparing efficiency is the existence of a public and private firm competing on roughly equal terms in the same market. In the purely competitive world of economic theory, the two corporations would both be equally efficient or one would not survive. In any case, some type of clear judgment could be made. There is no particular reason why a public firm with

some monopoly power could not act in a capitalistic manner. If it did, we might compare the balance sheets of public and private firms and (accountants willing) make some sort of judgment about their relative efficiency.

The difficulty is that public corporations are usually founded because the market is not functioning in a politically acceptable way. In some cases, private capital will not take risks that the authorities want it to take. The result may be a limited venture like Pan Arctic in Canada or the establishment of major corporation as with the CFP in France. Or the existence of a natural monopoly (roughly a situation in which costs decrease steadily up to the point that the relevant market is satisfied) may lead to public corporation.

In the type of situation mentioned above, there is often no private measure of efficiency. In some cases, one can ask how have private companies performed in situations with less risk (Panarctic) or how a truly competitive firm would behave if it were to determine the policies of a public monopoly?

In many cases, however, the public corporation is burdened with many tasks not shared by its private counterparts. Stricter environmental standards, economic development missions, public employment responsibilities, counter cyclical capital constraints and the constant pressure of the press and politicians are a few of the factors that may be different for the public corporation.

It is hard to say exactly how many of these kinds of burdens will be vested upon the proposed oil and gas corporation. The Conte bill does exhibit a definite solicitousness for the environment. To the extent that that adds constraints to the corporation's actions, it may appear less efficient than its private competitor.

The indications from the foreign experience and the record of the TVA are both encouraging. Despite the political pressures and the added responsibilities, many of the ENI subsidiaries have been able to compete on a world wide basis. The TVA successfully cut prices, grew, prospered, and made a significant contribution to the economic development of an eight state area.

Efficiency in the new corporation?—probably.

The yardstick?

To what extent will the proposed Federal Oil and Gas Corporation operate under conditions similar to those of a private concern? Will the new corporation provide an accurate yardstick by which the performance of private concerns can be measured?

In terms of state and local taxes, the proposed corporation will pay just as if it were a private corporation. Not only does this add to the local tax roles, but it makes the private and public operations more directly comparable. Federal income tax on corporate profits is quite another matter. Like the TVA, the new corporation will probably not pay federal taxes. To make the public corporation more comparable with a private body, the tax liabilities, insurance and other costs would have to be computed and incorporated in a reconstructed set of books. The procedure does imply a host of accounting decisions in a field which does not yet boast of uniformity, but it could certainly be done.

Capital costs would also be different for the public and private corporation. For the public corporation, initial capitalization will come from the public coffers rather than from internally generated funds or the capital market. Capital raised through government guaranteed bonds, another avenue open to the public corporation, will come at a somewhat lower price than would funds raised without a guarantee.

Operating costs should be rather similar. Private and public firms will basically have to compete on the same market for drilling equipment, fuel, and labor. Without know-

ing more about the actual labor or contracting practices of the proposed corporation, it is difficult to make a more specific evaluation.

Beyond the bare bones of costs and accounting, the public and private corporations will operate in very different environments. Although both will be subject to political controls, the persistent scrutiny of the public corporation by Congress and the Executive branch will almost surely impose added expenses on the new corporation.

Probably there will not be a strict 36 inches in the public corporations yardstick, but will 33 or 40 do just as well? For many purposes, the rough comparisons that can be made between public and private operations should be a considerable aid to decisions on the true cost of production, regulation, tax incentives, or the need for price controls. In this sense, the public corporation would provide a valuable measurement tool.

Regulation through competition

Much has been made of the role of TVA in extending electric service and lowering the rates for electricity. By taking the risk of lower rates, the TVA found a market that the private companies had been unable or unwilling to reach.

Any final judgment on the hypothesis of regulation through competition demands a series of judgments about the degree of monopoly in the oil and gas industry, the potential behavior of private firms, and the probable role of the government corporation.

How then does all this come out? Keeping in mind the tentative nature of any judgments, the evidence suggests that a Federal Oil and Gas Corporation would certainly be economically viable. There is no reason why it could not run at a high level of technical competence and general efficiency. It will not necessarily provide an exact yardstick by which to measure the performance of private corporation, but should put the government in a position to make "ball park" judgments about the operation of the industry.

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⁴² Votaw, *op. cit.*, p. 34.

⁴³ Ibid., p. 37.

⁴⁴ Ibid., p. 38.

⁴⁵ Ibid., pp. 39 to 44.

⁴⁶ Ibid., p. 63.

⁴⁷ Ibid., p. 28.

⁴⁸ Hughes, *op. cit.*, p. 4.

⁴⁹ Herman Finer, *The TVA: Lessons for International Application*, DA Capo Press, New York, 1972 (original publication in 1944), p. 135.

⁵⁰ Ibid., p. 135.

⁵¹ Ibid., p. 136.

⁵² Ibid., pp. 188-189.

⁵³ Clair Wilcox, *Public Policies Toward Business*, Richard D. Irwin, Inc. Homewood, Ill., 1966, p. 572. Also see, Richard Hellman, *Government Competition in the Electric Utility Industry*, A Theoretical and Empirical Study, Praeger, New York, 1972.

MARCH 29: VIETNAM VETERANS DAY

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, tomorrow March 29, has been proclaimed Vietnam Veterans Day, a day devoted to those Americans who served in Vietnam and who now seem destined to become the "forgotten" Americans.

No brass bands and cheering crowds greeted most of these men as they returned from Vietnam, rather they returned to a Nation that was determined to forget the horror and the trauma of the Vietnam war. Now these veterans find they are caught in the struggle be-

tween those who wish to forget, and those of us who cannot forget.

The situation of our Vietnam veterans today is one hardly befitting those who have given so much for their country.

The unemployment rate for these veterans is almost 10 percent, and in lower income areas of the country it is over 20 percent; it is sad, indeed, that so many of those men who fought on the battle lines of Vietnam are now locked in a new battle on the unemployment lines of America.

If we can ever hope to put our Vietnam veterans to work we must do all we can to help them get a good education. Unfortunately, the GI bill has not always proved adequate for these young veterans; only 21 percent of our eligible Vietnam vets are now enrolled in college programs as compared to 50 percent of the eligible vets after World War II. The House took a great step forward last February 19 when it approved a 13.6-percent increase in the educational assistance benefits available under the GI bill. I hope that this increase will turn the tide and free our newest veterans from their struggle, but I fear that it will not. We must move to assure each Vietnam veteran an equal opportunity; this task is not an easy one, but it is our duty.

Though unemployment and lack of educational assistance are two of the most acute problems facing our Vietnam veterans today there are also difficulties in the areas of housing and medical care. I believe that if we are to identify, understand, and eliminate these problems then we must make the Veterans' Administration more responsive to the needs of these vets.

Our Nation suffered greatly because of the Vietnam war, but no Americans sacrificed more than those who served. Over 56,000 Americans gave their lives in Vietnam, 564 more spent years confined in the prison camps of the North, 1,354 are still missing and over 340,000 returned home disabled. Our Nation's Vietnam veterans have given more than any nation could ask, they have sacrificed enough, now it is time for us to move forward as a nation to assure these men that they have not been forgotten.

I have heard many say that the Vietnam war was a war without heroes; I believe that every Vietnam vet is a hero in his own right for having answered his country's call, for having served his country well in what was perhaps the most unpopular war in our history and for having the courage to come home to a nation that no longer seems to care.

I am proud of our Nation's veterans and I am proud of our Nation's efforts, both public and private, to help these men in their time of need, but I believe that the job is far from finished and that every American must join this effort.

I do not believe that we can enjoy the fruits of peace until we have secured for every Vietnam veteran the rights he deserves and the benefits he has earned.

Mr. Speaker, my prayers are with those veterans who have still not returned to our shores and with those who are struggling here at home.

America has ahead of her the great

goal of assuring every veteran a good job and a decent wage and what a great day it will be when that goal is finally reached.

It is my hope that every American will join in this effort and that tomorrow we as a nation can think of all our Vietnam veterans and what they have done for us, and all that we can do for them.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. MITCHELL of Maryland (at the request of Mr. O'NEILL), for today, on account of illness.

Mr. ROSENTHAL (at the request of Mr. O'NEILL), for today through Thursday, April 11, 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. KEMP) to revise and extend their remarks and include extraneous matter:)

Mr. WARE, for 5 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mr. CRONIN, for 5 minutes, today.

(The following Members (at the request of Mr. BRECKINRIDGE) to revise and extend their remarks and include extraneous material:)

Mr. DIGGS, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. HOLIFIELD, for 5 minutes, today.

Mr. CULVER, for 5 minutes, today.

Mr. REUSS, for 10 minutes, today.

Mr. CLARK, for 5 minutes, today.

Mr. MURPHY of New York, for 10 minutes today.

Mr. DANIELSON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KOCH and to include extraneous matter, notwithstanding the fact that it exceeds 3 1/4 pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost \$329.25.

Mr. HARRINGTON and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$1,619.75.

(The following Members (at the request of Mr. KEMP) and to include extraneous material:)

Mr. BROYHILL of Virginia in two instances.

Mr. DELLENBACK in two instances.

Mr. GUDIE in five instances.

Mr. RONCALLO of New York in two instances.

Mr. MINSHALL of Ohio.

Mr. WYMAN in two instances.

Mr. ARCHER in two instances.

Mr. ASH BROOK in five instances.

Mr. J. WILLIAM STANTON.

Mr. SHOUP in two instances.

Mr. COHEN in two instances.

Mr. SHUSTER.

Mr. BAKER.

Mr. DERWINSKI in two instances.

Mr. MIZELL in five instances.

Mrs. HECKLER of Massachusetts in two instances.

Mr. MALLARY.

Mr. GILMAN in two instances.

Mr. KEMP in three instances.

Mr. PARRIS in 10 instances.

Mr. BROWN of Ohio.

Mr. HOSMER in two instances.

Mr. DU PONT.

Mr. HOGAN in two instances.

(The following Members (at the request of Mr. BRECKINRIDGE) and to include extraneous material:)

Mr. NATCHER.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. MOSS.

Mr. SYMINGTON.

Mr. JARMAN.

Mr. ADDABBO in two instances.

Mrs. BOGGS.

Mr. ICHORD.

Mr. HUNGATE.

Mr. GUNTER.

Mr. ANDERSON of California in two instances.

Mr. DRINAN in two instances.

Mr. EVINS of Tennessee in two instances.

Mr. STOKES in five instances.

Mr. BRINKLEY.

Mr. DENT.

Mr. NIX.

Mr. BINGHAM in three instances.

Mr. WALDIE in two instances.

Ms. HOLTZMAN in 10 instances.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2174. An act to amend certain provisions of law defining widow and widower under the civil service retirement system, and for other purposes; and

S. 2747. An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to expand the coverage of the act, and for other purposes.

ADJOURNMENT

Mr. BRECKINRIDGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until Monday, April 1, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS,
ET CETERA

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2100. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms during July–November 1973, pursuant to section 10(d) of the Small Business Act, as amended [15 U.S.C. 639(d)]; to the Committee on Banking and Currency.

2101. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to transfer to the Secretary of Health, Education, and Welfare research and evaluation authority contained in the Economic Opportunity Act of

1964; to the Committee on Education and Labor.

2102. A letter from the Secretary of Transportation, transmitting a statement concerning a delay in the presentation of legislative proposals providing for the recovery of the costs of the airport and airway system from airway users; to the Committee on Interstate and Foreign Commerce.

RECEIVED FROM THE COMPTROLLER GENERAL

2103. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the Tennessee Valley Authority for fiscal year 1973, pursuant to 81 U.S.C. 851 (H. Doc. No. 93–248); to the Committee on Government Operations and ordered to be printed.

2104. A letter from the Comptroller General of the United States, transmitting a report on problems in the Department of Housing and Urban Development's home-ownership opportunities program for low-income families; to the Committee on Government Operations.

2105. A letter from the Comptroller General of the United States, transmitting a report on housing allowances and the experimental housing allowance program being conducted by the Department of Housing and Urban Development; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SISK: Committee on Rules. House Resolution 998. Resolution to amend the House Rules regarding the making of points of no quorum, consideration of certain Senate amendments in conference agreements or reported in conference disagreement, request for recorded votes and expeditious conduct of quorum calls in Committee of the Whole, and postponement of proceedings on suspension motions, and for other purposes. (Rept. 93–959). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 1018. Resolution providing for the consideration of House Resolution 998. Resolution to amend the House Rules regarding the making of points of no quorum, consideration of certain Senate amendments in conference agreements or reported in conference disagreement, request for recorded votes and expeditious conduct of quorum calls in Committee of the Whole, and postponement of proceedings on suspension motions, and for other purposes. (Rept. No. 93–960). Referred to the House Calendar.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 12993. A bill to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 4 years, and for other purposes; with amendment (Rept. 93–961). 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. ANDERSON of California (for himself, Mr. BROWN of California, Mr. BOLAND, Mr. HUBER, Mr. WON PAT, Mr. DENT, Mr. MOLLOHAN, Mr. WALDIE, Mr. EILBERG, Mr. CHARLES H. WILSON of California, Mr. SARBANES, Mr. FROELICH, Mrs. COLLINS of Illinois, Mr. BIESTER, Mr. ROYBAL, Mr. REES, Mr. WOLFF, Mrs. BURKE of California, Mr. BADILLO, Mr. ROE,

Mr. BURGENER, Mr. MOAKLEY, Mr. STARK, Mr. HELSTOSKI, and Mr. WHITEHURST):

H.R. 13805. A bill to require the testing of certain motor vehicles to determine the lowest average octane rating of gasoline which can be used without knocking in such vehicles, to require the production and marketing of gasoline having a specified average octane rating, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California (for himself, Mr. RIEGLE, Mr. EDWARDS of California, Mr. HARRINGTON, Ms. HOLTZMAN, Mr. MATSUNAGA, Mr. SANDMAN, Mr. LENT, and Mr. ST GERMAIN):

H.R. 13806. A bill to require the testing of certain motor vehicles to determine the lowest average octane rating of gasoline which can be used without knocking in such vehicles, to require the production and marketing of gasoline having a specified average octane rating, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ASPIN:

H.R. 13807. A bill to dispose of antimony from the national stockpile; to the Committee on Armed Services.

By Mr. BROOMFIELD:

H.R. 13808. 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. BROTZMAN:

H.R. 13809. A bill to amend the Wild and Scenic Rivers Act by designating segments of certain rivers in the State of Colorado for study as potential components of the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of Ohio:

H.R. 13810. A bill to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes; to the Committee on Government Operations.

By Mr. CAREY of New York:

H.R. 13811. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. COHEN:

H.R. 13812. A bill to amend title II of the Social Security Act to increase the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder, and to revise the method for determining such amount; to the Committee on Ways and Means.

By Mr. CRONIN:

H.R. 13813. A bill to amend title 5, United States Code, to provide that persons be apprised of records concerning them which are maintained by Government agencies; to the Committee on Government Operations.

By Mr. CULVER (for himself, Mr. ZABLOCKI, Mr. WOLFF, Mr. YATRON, Mr. HARRINGTON, Mr. RYAN, Mr. STEELE, Mr. WHALEN, Mr. GILMAN, Mr. DAVIS of Georgia, Mr. BURKE of Florida, and Mr. VANDER JAGT):

H.R. 13814. A bill to direct the President to conduct a study of foreign investment in the United States and to report to Congress the results of such study, including in such study and report a comparison of implications of foreign investment in the United States with implications of foreign investment in other countries, an analysis of the regulation of foreign investment in the United States and in other countries, and a consideration of alternative policy options concerning foreign investment available to the United States, taking into account the U.S. national interest as it relates to the pro-

tection of domestic economic interests and to the fostering of commercial intercourse between nations; to the Committee on Foreign Affairs.

By Mr. DELLENBACK (for himself, Mr. QUIE, Mr. BIAGGI, Mr. HUBER, Mr. KEMP, Mr. ERLENBORN, and Mr. ESCH):

H.R. 13815. A bill to amend section 411 of the Higher Education Act of 1965 to improve the awarding of basic educational opportunity grants under such section, and for other purposes; to the Committee on Education and Labor.

By Mr. EVANS of Colorado:

H.R. 13816. A bill to amend the act authorizing the Fryingpan-Arkansas Federal reclamation project, Colo., in order to increase the amount authorized for such project (act of August 16, 1962; 76 Stat. 389) and to authorize construction of a second 100-megawatt unit at the Mt. Elbert Pumped Storage Powerplant site of such project; to the Committee on Interior and Insular Affairs.

By Mr. FINDLEY:

H.R. 13817. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FREY:

H.R. 13818. A bill to provide for the termination of certain oil and gas leases granted with respect to land located in the Ocala National Forest; to the Committee on Interior and Insular Affairs.

By Mr. GINN:

H.R. 13819. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. HANLEY:

H.R. 13820. A bill to amend the Small Business Act to provide low-interest operating loans to small businesses seriously affected by a shortage in energy-producing materials; to the Committee on Banking and Currency.

By Mr. HARRINGTON:

H.R. 13821. A bill to repeal economic sanctions against Cuba which are contained in certain acts of Congress; to the Committee on Foreign Affairs.

By Mr. HARRINGTON (for himself, and Mr. YOUNG of Georgia):

H.R. 13822. A bill to amend the Natural Gas Act to secure adequate and reliable supplies of natural gas and oil at the lowest reasonable cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI (for himself, Mr. BINGHAM, Mrs. CHISHOLM, Mr. FORSYTHE, Mr. FRELINGHUYSEN, Miss HOLTZMAN, Mr. PODELL, and Mr. ROE):

H.R. 13823. A bill to direct the Comptroller General of the United States to conduct an annual audit of each interstate transportation authority which has been established pursuant to an interstate compact or agreement that has been approved by Congress; to the Committee on Government Operations.

By Mr. JARMAN:

H.R. 13824. A bill to amend section 410 of the Federal Aviation Act of 1958 to provide financial assistance during the energy crisis to U.S. air carriers engaged in overseas and foreign air transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER:

H.R. 13825. A bill to establish administrative and governmental practices and procedures for certain kinds of surveillance activities engaged in by the administrative agencies and departments of the Government when executing their investigative, law enforcement, and other functions, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. RODINO, Mr. CONYERS, Mr. DANIELSON, Mr. DRINAN, Mr. MEZVINSKY, Mr. MAZZOLI, Mr. MITCHELL of Maryland, Mr. RAILBACK, Mr. SMITH of New York, Mr. SANDMAN, Mr. COHEN, Mr. FISH, Mr. BIESTER, and Mr. COUGHLIN):

H.R. 13826. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes; to the Committee on the Judiciary.

By Mr. McDADIE:

H.R. 13827. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation; to the Committee on Agriculture.

H.R. 13828. A bill to direct the Secretary of the Treasury to determine if bounties, grants, or export subsidies are paid by foreign countries with respect to dairy products imported into the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. MOAKLEY (for himself, Mr. HECHLER of West Virginia, Ms. HOLTZMAN, Mr. SARBANES, Mr. PEPPER, Mr. HARRINGTON, Mr. TIERNAN, Mr. YATRON, Mr. WON PAT, Mr. CARNEY of Ohio, Mr. EILBERG, Mr. LUKEN, Ms. ABZUG, Mr. SEIBERLING, Mr. DRINAN, Mrs. COLLINS of Illinois, and Mr. METCALFE):

H.R. 13829. A bill to provide assistance and full-time employment to persons who are unemployed and underemployed as a result of the energy crisis; to the Committee on Education and Labor.

By Mr. MOSS (for himself, Mr. ECKHARDT, Mr. HELSTOSKI, and Mr. CORMAN):

H.R. 13830. A bill to establish national goals for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PEYSER:

H.R. 13831. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes; to the Committee on House Administration.

By Mr. PICKLE:

H.R. 13832. A bill to amend the Emergency

Petroleum Allocation Act of 1973 with respect to the base period for purposes of allocation to independent marketers; to the Committee on Interstate and Foreign Commerce.

By Mr. RHODES:

H.R. 13833. A bill to incorporate the U.S. Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. STAGGERS:

H.R. 13834. A bill to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ULLMAN:

H.R. 13835. A bill to amend section 6420 of the Internal Revenue Code of 1954 to treat timber operations as farming, for purposes of the excise taxes on special fuels and gasoline; to the Committee on Ways and Means.

By Mr. KARTH:

H.J. Res. 960. Joint resolution requiring the President to submit to Congress a report concerning importations of minerals which are critical to the needs of U.S. industry; to the Committee on Ways and Means.

By Mr. LATTA:

H.J. Res. 961. Joint resolution requiring the President to submit to Congress a report concerning importations of minerals which are critical to the needs of U.S. industry; to the Committee on Ways and Means.

By Mr. BROTHMAN (for himself, Mr. BUCHANAN, Mr. GOLDWATER, Mr. GUBSER, Mr. MATHIAS of California, Mr. REES, Mr. ROYBAL, Mr. TALCOTT, Mr. BOB WILSON, Mr. GIBSONS, Mr. DERWINSKI, Mr. PRICE of Illinois, Mr. HILLIS, Mr. MYERS, Mr. SHRIVER, Mr. WINN, Mr. HOGAN, Mr. MITCHELL of Maryland, Mr. CONTE, Mr. HARRINGTON, Mrs. HECKLER of Massachusetts, Mr. ESCH, and Mr. RIEGLE):

H. Res. 1019. Resolution to create a Committee on the Environment; to the Committee on Rules.

By Mr. BROTHMAN (for himself, Mr. ZWACH, Mr. RANDALL, Mr. SEBELIUS, Mr. THONE, Mr. DOMINICK V. DANIELS, Mr. FORSYTHE, Mr. HELSTOSKI, Mr. ROE, Ms. ABZUG, Mr. FISH, Mr. KEMP, Mr. KING, Mr. RANGEL, Mr. SMITH of New York, Mr. PODELL, Mr. ANDREWS of North Dakota, Mr. REGULA, Mr. DEVINE, Mr. DENT, Mr. WILLIAMS, Mr. MANN, Mr. SPENCE, Mr. PICKLE, and Mr. PRITCHARD):

H. Res. 1020. Resolution to create a Committee on the Environment; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

[Omitted from the Record of March 27, 1947]

398. By the SPEAKER: Memorial of the Senate of the State of Rhode Island and Providence Plantations, relative to homes for the elderly; to the Committee on Banking and Currency.

[Submitted March 28, 1974]

399. Also memorial of the Legislature of the State of Georgia, relative to Professional Standard Review Organizations; to the Committee on Ways and Means.

SENATE—Thursday, March 28, 1974

The Senate met at 9:30 a.m. and was called to order by Hon. ADLAI E. STEVENSON III, a Senator from the State of Illinois.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord our God, in whom we live and move and have our being, help us to use wisely this new day which Thou hast given us. In hard tasks grant us the grace of perseverance. In difficult problems help us to press onward until solutions are found. In all our efforts help us to "Abhor that which is evil; cleave to that which is good. Be kindly affec-

tioned one to another with brotherly love; in honour preferring one another; not slothful in business; fervent in spirit; serving the Lord." Bring us to evening with nothing to make us ashamed, with nothing to regret, with nothing badly done, and with peace in our hearts.

In Thy holy name we pray. Amen.