surreptitious means, and that he handled their finances with integrity.

There can no longer be the excuses of ignorance. The evil has been identified and brought into the open. We know that the main cause of inflation is the printing by the Government of new money to finance projects which the taxpayer would not willingly pay for. Now that the evil is known, we must take action. There must be no more deficit financing, and no more underhanded juggling of the Nation's money. If we insist on a drastic cut in wasteful Government spending, we shall remove the main temptation to inflate the money supply.

If the American people are not prepared to pay for something out of taxation, then they are not prepared to pay for it at all. We, as their representatives, owe it to them to see that their wishes are not thwarted by deficit financing. Economy and honesty might lack the glamor of a highly publicized posturing about social concern, but they are qualities that we could ill forget or ignore. In combination, they can lift us out of this swamp of inflation, and bring integrity back to our Government as well as to our money.

TRIBUTE TO DR. WILLIAM THOMAS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1974

Mr. BROWN of California. Mr. Speaker, with all the problems our Nation has been going through during the last few years, I believe that we in the Congress could use some inspiration. Now that we have finished today's legislative business I would therefore like to take a few moments to tell our colleagues about one of my constituents, Dr. William Thomas, a distinguished Baptist minister in Riverside, Calif.

The story of Dr. Thomas' service to the people of Riverside begins long ago, on March 7, 1925. Deacon Dumas was pacing anxiously about the train station at Colton, Calif. He had come to welcome the new minister to Second Baptist Church of Riverside. When the train arrived he observed each person with great care, and just as he was about to decide that the new minister had disappointed the congregation, he observed a young man obviously expecting to be met by someone. No, it could not be. Finally only the two of them remained on the train platform, and so he met the Rev. William Thomas.

After tossing his one suitcase into the back seat of the car—young Mr. Thomas was to travel all over the world with only one suitcase—the two headed for Riverside, a 9-mile drive. During the trip the deacon learned many things about the man who had been sent to head the church. William Thomas was born in Raymond, Miss., to farm parents. He attended Elder Hill School and spent 4 years at Jackson College, now called Jackson State University, before leaving Mississippi for 3 years of additional study at Metropolitan Bible College in St. Louis, Mich.

Although neither Deacon Dumas nor young Mr. Thomas could have suspected as they rode from Colton to Riverside on that day in 1925, the new minister would continue his education in California many years later, receiving the degree of doctor of devotion in June of 1952 from the University of Redlands and still later receiving his Doctor of Divinity Degree from Reed College in Los Angeles in 1972.

When William Thomas was born his mother was told that she "had a prophet." He was called to the ministry on Pentecost Day, July 10, 1914. After serving in World War I, Mr. Thomas took up his duties at New Mound Zion Baptist Church in Jackson, Miss., and served there from 1919 through 1924.

When Deacon Dumas brought the young pastor to his new assignment the church was located at Eighth and Main Streets, where it had been since its founding on September 21, 1890. That site is now occupied by the Security Pacific Bank Building. During the ensuing years the church moved to Eighth and Orange Streets, where the Crocker Bank now stands; then to 10th and Commerce Streets, where the Southern California Gas Co. Building is now located; from there to 12th and Howard Streets; and finally to 9th Street and Park Avenue, where—under the guidance of the Reverend Dr. Thomas and with the donated labor of the members and with each brick paid for as it was laid—the present lovely church was erected and dedicated on May 24, 1964.

All that moving around does not seem to have made it too difficult for people to find the Second Baptist Church of Riverside, however. Quite the contrary, under Dr. Thomas' capable leadership the church has grown from its 1925 membership of 90 to over 6,000 enrolled members at the present time.

Dr. Thomas has never stopped teaching, learning, and growing. He has shared with his congregation and the community the things he has learned during his travels to South America, Europe, Africa, and other parts of the world.

He continues to give his time to many community groups including the Eastside Study Group and the NAACP. He has helped more than 100 people to secure their own homes in the city of Riverside, as well as assisting others in retaining their homes. His assistance is not limited to members of his congregation.

Dr. Thomas has been the recipient of many awards from service organizations and elected officials, as well as community leaders. He has been honored many times by his fellow churchmen. For 13 years he served as moderator of the Tri-County District Association of Baptist Ministers Conference. He served on the Marriage and Divorce Board of the National Baptist Convention of the U.S.A., Inc. for 10 years and also served for 10 years on the Baptist Young Peoples Union Board. He was vice president of the Western Baptist State Convention of California from 1941 to 1955, after which he served as recording secretary from 1955 to 1965. He was frequently called upon to preside "when things got rough." He is known as a cool head.

Dr. Thomas continues to deliver the sermon to his congregation each Sunday morning although he now has nine associates to assist him. He was recently honored by the Council of Churches in Riverside on the occasion of his 49th anniversary as pastor of Second Baptist Church. He has been informed by the keeper of the archives that he has the longest tenure in one church of any minister in the State of California.

Recently married to Verlie Kilgore, he now has a help mate devoted to the church. As for future plans, he would like to see a senior citizens home next to the church. From the visionary look that comes into his eyes as he discusses this, it is as good as accomplished.

HOUSE OF REPRESENTATIVES—*Tuesday, October 15, 1974*

The House met at 12 o'clock noon.

Rev. Rolland A. Steever, River Park Church of Christ, South Bend, Ind., offered the following prayer:

Our Eternal God, we bow before You because You made us, You love us, you understand us. Fill us with Your abundant love and tender mercies, as we lay aside the burden of our own human interests and concerns. May Your will encompass us.

We pray today that Your eternal truth and wisdom empower these who direct the business of the House of Representatives of our great American Congress. Help them to direct every resource of our great Nation to compassionately enlarge through all the earth, the peace of our Lord Jesus Christ, in whose name we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 17027. An act to amend the National Visitor Center Facilities Act of 1968.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1411. An act to authorize the Sisseton and Wahpeton Sioux Tribe of the Lake

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Traverse Reservation to consolidate its landholdings in North Dakota and South Dakota, and for other purposes; and

S. 1412. An act to declare that certain federally owned lands are held by the United States in trust for the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Indian Reservation in North and South Dakota.

The message also announced that the President pro tempore, pursuant to Public Law 84–689, appointed Mr. THURMOND as a delegate to the North Atlantic Assembly to be held in London, England, November 11 to 16, 1974.

The message also announced that the President pro tempore, pursuant to Public Law 93–379, appointed Mr. Stephen S. Boynton to the District of Columbia Law Revision Commission.

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

H.R. 15736. An act to authorize, enlarge, and repair various Federal reclamation projects and programs, and for other purposes.

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

S. 32. An act to establish a framework for the formulation of national policy and priorities for science and technology, and for other purposes;

S. 114. An act to direct the Secretary of Agriculture to review as to its suitability for preservation as wilderness the area commonly known as the Snow Mountain De Facto Wilderness Area in the State of California;

S. 2363. An act to amend chapter 39 of title 38, United States Code, relating to automobiles and adaptive equipment for certain disabled veterans and members of the Armed Forces;

S. 2854. An act to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance a national attack on arthritis; and

S. 3563. An act to authorize the construction of a highway bridge across the Snake River, between Clarkston, Wash., and Lewiston, Idaho, and to establish a Water Resources Mitigation Advisory Board.

THE REVEREND ROLLAND A. STEEVER

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

Mr. BRADEMAS. Mr. Speaker, I take this opportunity to extend a warm welcome to a friend and distinguished constituent, the Reverend Dr. Rolland A. Steever, pastor of the River Park Church of Christ in South Bend, Ind., who offered the moving prayer which we have just heard.

Dr. Steever is a distinguished clergyman and outstanding citizen of my home community. I am very pleased, indeed, that he was able to be with us today. I am sure that my colleagues in the House share in that gratification.

PRIVATE CALENDAR

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

MRS. ROSE THOMAS

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

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

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

There was no objection.

COL. JOHN H. SHERMAN

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

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

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

There was no objection.

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

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

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

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

There was no objection.

MR. AND MRS. JOHN F. FUENTES

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

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

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

There was no objection.

MURRAY SWARTZ

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

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

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

There was no objection.

ESTELLE M. FASS

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

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

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

There was no objection.

Mr. JAMES V. STANTON. Mr. Speaker, I ask unanimous consent that the remainder of the Private Calendar be passed over without prejudice.

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

There was no objection.

U.N. RESOLUTION TO SEAT THE PLO

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

Mr. BINGHAM. Mr. Speaker, an unfortunate and wrongheaded decision was made yesterday at the United Nations. The 105 nations who voted for the resolution to allow the Palestinian Liberation Organization to participate in General Assembly discussions of the Middle East situation next month have in effect voted to legitimize terrorism.

Ambassador Scali, speaking for the United States, said that our "no" vote "in no way reflects a lack of understanding or sympathy for the very real concern and yearning for justice of the Palestinian people." I share this understanding and sympathy, but I cannot see that any constructive purpose is served by giving a voice in U.N. debate to this self-proclaimed "sole representative of the Palestinian people." In fact, the Palestinians have never chosen the PLO as their sole representative. The PLO is a terrorist organization dedicated to the destruction of Israel. Its chosen method for achieving this goal is the slaughter of innocent people. The aspirations of those Palestinians who truly seek a just peace in the Middle East will not be advanced by this decision, and real progress in negotiations will be hampered.

Further, this is a decision without precedent at the U.N. The U.N. has enough troubles without being forced, hereafter, to grant a voice in its debates to every nongovernmental "revolutionary" group which claims a large following.

I am saddened that the world has taken yet another step away from peace between Israel and the hostile forces surrounding her. I consider it unconscionable to allow this terrorist group an unparalleled opportunity to proclaim its destructive and irresponsible doctrines, thereby disgracing an institution dedicated to considered and thoughtful negotiation between nations. The cause of peace has been ill served.

WOULD PRESIDENT FORD CONTROL INFLATION BY INCREASING DOMESTIC OIL PRICES ANOTHER $11 BILLION?

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

Mr. LEGGETT. Mr. Speaker, unnoticed by almost everyone except the oil industry, President Ford's recently announced economic program includes plans to hand the industry a windfall profit of $9 to $11 billion annually, and to take this money out of the consumer's pocket by raising the price of gasoline 3.8 to 4.6 cents per gallon.

This is a grave charge, and I do not make it lightly. This is how it works:

According to a factsheet put out by the White House and explained by Treasury Secretary Simon, the President has directed that all domestic oil recovered by secondary or tertiary methods will be considered "new" oil even if it comes from old wells. Thus, producers will be able to sell it for the free market price of about $11 per barrel instead of the controlled price, set for "old" oil at $5.25 per barrel. Since a producer can decontrol one barrel of "old" oil for each barrel of "new" oil he produces, the Ford plan will produce an immediate retail gasoline price increase of 3.8 cents per gallon, and an immediate profit increase to the industry of $9.2 billion. The oil producers will then be free to convert some of their primary wells to secondary methods, thus increasing their windfall to $11.2 billion and the retail price boost to 4.6 cents per gallon.

The clever thing about this is that it can be done entirely by administrative regulation, without congressional approval.

Mr. Speaker, this is too clever by half. There is going to be hell to pay for this and I do not mean maybe. I am currently preparing a resolution of inquiry on this matter, a sense of the Congress resolution opposing the plan, and legislation requiring that any decontrol or increase in controlled prices of petroleum will be subject to congressional disapproval within 30 days.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 612]

Anderson, Ill.	Ginn	Murphy, N.Y.
Aspin	Gray	Nichols
Badillo	Green, Pa.	O'Hara
Baker	Griffiths	Patman
Bell	Grover	Podell
Biaggi	Hammer-schmidt	Randall
Blatnik	Hanley	Rangel
Boland	Hanna	Rarick
Bolling	Hanrahan	Regula
Brasco	Hansen, Wash.	Reid
Brown, Mich.	Hastings	Roe
Brown, Ohio	Hays	Roncalio, Wyo.
Burke, Calif.	Hébert	Rooney, N.Y.
Burke, Fla.	Holifield	Rousselot
Butler	Huber	Ruppe
Clark	Jarman	Ruth
Cochran	Johnson, Colo.	Sandman
Collins, Tex.	Jones, Okla.	Sebelius
Conable	King	Snyder
Conlan	Kuykendall	Steele
Conyers	Landgrebe	Steelman
Crane	Lehman	Stokes
Culver	Long, La.	Stubblefield
Davis, Ga.	Lott	Teague
Davis, Wis.	McCloskey	Tiernan
de La Garza	McSpadden	Udall
Dellums	Macdonald	Ullman
Denholm	Madigan	Vander Jagt
Diggs	Mayne	Veysey
Dorn	Melcher	Waldie
Dulski	Mezvinsky	Walsh
Edwards, Ala.	Mills	Wiggins
Erlenborn	Mitchell, N.Y.	Wright
Esch	Moakley	Wydler
Evans, Colo.	Moorhead, Calif.	Young, Alaska
Fish	Moss	Young, Ga.
Flynt	Murphy, Ill.	Young, S.C.
Forsythe		Zion
Froehlich		

The SPEAKER. On this rollcall 320 Members have recorded their presence by electronic device, a quorum.

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

COMMUNICATION FROM THE CLERK OF THE HOUSE OF REPRESENTATIVES

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

WASHINGTON, D.C.,
October 14, 1974.

Hon. CARL ALBERT,
Speaker, U.S. House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 3:07 P.M. on Monday, October 14, 1974, and said to contain H.J. Res. 1131, Joint Resolution making further continuing appropriations for the fiscal year 1975, and for other purposes, and a veto message thereon.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
Clerk, U.S. House of Representatives.
By W. RAYMOND COLLEY.

FURTHER CONTINUING APPROPRIATIONS, 1975, VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-369)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

At the beginning of my Administration I pledged to work closely and cooperatively with the Congress. I believe I have kept that promise. I have appeared before two joint sessions of the Congress, I have met frequently with the leadership of both Houses, and I have agreed to appear personally before a subcommittee of the House of Representatives—a step no other President has undertaken in more than a century.

These actions are an earnest of my commitment to a new partnership between the legislative and executive branches of our government. They reflect my deep belief that the antagonisms that have too long divided our nation must be resolved, that hopes for partisan advantage must be put aside, and that we must get on with the business of doing the best we can for our country.

The cooperation I have received from the leadership of the Congress—Democratic and Republican alike—has been truly remarkable. The leaders have advised me and I have listened, I have explained my problems to them and they have responded with understanding and support. For this I am deeply grateful.

It is, therefore, with deep regret that I am returning today without my approval the recently passed continuing resolution, H.J. Res. 1131, granting funds for the operation of several Departments and agencies and for the temporary continuation of our foreign aid programs. I take this step with great reluctance, but in the belief that I have no other choice.

The continuing resolution the Congress has passed and sent to me for signature contains an amendment requiring an immediate cut-off of all military assistance to Turkey. That amendment was passed despite my own public objection to it, and in the face of the unanimous opposition of the bipartisan leadership of both Houses of Congress. It is an act which is harmful even to those it purports to help.

The United States is making every effort to play a useful role in assisting the parties to a resolution of the Cyprus dispute. The continuing resolution as amended is entirely destructive of those efforts. Instead of encouraging the parties involved in the Cyprus dispute to return to the negotiating table, an arms cut-off to Turkey could mean the indefinite postponement of meaningful negotiations. Instead of strengthening America's ability to persuade the parties to resolve the dispute, it would lessen our influence on all the parties concerned. It would as well imperil our relationships with our Turkish ally and weaken us in the crucial Eastern Mediterranean. It directly jeopardizes the NATO alliance.

Most tragic of all, an arms cut-off would not help Greece or the Greek Cypriot people who have suffered so tragically over the past several months. We recognize that we are still far from a settlement consistent with the honor and dignity of Greece, and are prepared to exert our influence to that end. But reckless acts that prevent progress toward a Cyprus settlement harm Greece, for it is the Greek government and the Greek Cypriots who have the most to gain from a compromise settlement. And it is they who have the most to lose from continued deadlock.

It is for these reasons that I am vetoing the bill sent to me. I do so because, should this measure become law, it would be impossible for the United States to continue to play any meaningful role in assisting the parties to resolve the Cyprus dispute. We would inevitably be forced to withdraw from the negotiations because the Congress would have taken from us the tools we need to affect the outcome.

My choice, then, is unavoidable; my responsibility clear. I ask that the Congress reconsider its action and send to me a bill that we can all support; a bill that provides the flexibility needed to carry forward the foreign policy of the United States.

GERALD R. FORD.

THE WHITE HOUSE, *October 14, 1974.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and without objection the message and joint resolution will be printed as a House document.

There was no objection.

The SPEAKER. The question is, Will the House, on reconsideration, pass the joint resolution, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Texas (Mr. MAHON) for 1 hour.

Mr. MAHON. Mr. Speaker, we have all heard the message of the President, whose administration is charged with negotiations involving Greece, Turkey,

and Cyprus. We have debated this issue on several occasions in the House.

We must have, of course, a continuing resolution before the recess. Several of the departments of the Government have been operating without legal authority to incur obligations for about 15 days. This is a time for action and not debate. We should proceed to vote on the President's veto of the continuing resolution.

Mr. MARTIN of North Carolina. Mr. Speaker, I am voting to override the veto of this continuing resolution because of its strong language concerning aid to Turkey and my considerable displeasure in seeing arms provided by this country's taxpayers used by one supposed ally against another in violation of the understandings between us and Turkey.

But I take this opportunity to state again the need for a reduction in spending levels. This resolution authorizes no increase, but is a stopgap until appropriations bills can be enacted. We should be wary of postponing such bills until after an election.

The people of this country are waking up to an awareness of the fact that their Congress has been voting to spend money on package after package of pretty programs, and then letting inflationary deficits pile up because we do not have the money to pay the bills when they come due.

Last week I tried my best to cut the spending ceiling target from $300 to $297 billion and wish to thank those who supported me. It was a vote on spending, but it was also the first vote on the surtax. If we do not cut spending down to revenues, we will have a surtax and full credit for that tax will be due those who refuse to restrain Government spending.

The Government cannot dine out and make believe the waiter will not come around with the bill.

When we reconvene in November we are very likely to have new opportunities to cut spending levels. We must take them. We must choose: Cut spending or face up to a surtax. The waiter is coming around with the bill. We wish he would not, but he is coming. We do not want a surtax. Nobody does. But, like the bill in the waiter's hand, it is coming, and if we fail to cut spending down to size we are grossly misleading the American people if we tell them we will not be raising taxes. We must be honest with the people. I suggest we admit the truth to them: If we cannot cut our spending, we are going to have to raise their taxes.

I told my constituents that, and I can tell you that the reaction was disbelief. But, they are bright people and know that they cannot spend money that does not exist and that if a person or a government wants to spend something extra, it is necessary to earn the money to be spent. Their disbelief came from having a Congressman even admitting taxes existed 3 weeks before an election.

So, I suggest when we leave here again this week, we ask our constituents whether they want another $3 billion cut out of spending or whether they want a surtax.

Then, when we come back here on November 11, let us cut spending by $3 billion more and give the people a break: No surtax.

Mr. BADILLO. Mr. Speaker, by vetoing the continuing appropriations resolution because it contains a provision suspending all military aid to Turkey, the President is seeking to shirk his duty to faithfully execute the laws of this country. As I and others observed during debate on a similar issue last Friday, both the Foreign Assistance Act of 1961 and the Foreign Military Sales Act contain specific restrictions which prohibit the use of U.S. military equipment in the invasion of neutral nations.

There is no question that Turkey invaded the island of Cyprus on August 14 and that it has blatantly violated both the letter and spirit of the Foreign Aid Act and the foreign military sales program. Because of its ill-conceived military action against Cyprus Turkey is simply ineligible for further assistance. There can be no qualifications or caveats and certainly no exceptions in the just and proper administration of these two programs.

In his veto statement Mr. Ford claimed that—

> An arms cutoff to Turkey could mean the indefinite postponement of meaningful negotiations.

However, if there are to be any meaningful or productive negotiations there must be definite concessions made on the part of Turkey, particularly as that nation was clearly the aggressor. Why should this Nation compromise its basic principles or limit the full and proper execution of its laws just to appease a country which has contravened both international law and the provisions of bilateral agreements?

Mr. Speaker, on three separate occasions—on September 24, October 7, and October 11—this body has made its position on the Turkish invasion of Cyprus and the Turks' violation of the foreign aid and military sales programs very clear. The Congress has no intention of undermining efforts to seek a prompt and equitable solution to the troublesome issue of Cyprus' territorial integrity and the removal of Turkish military forces. What we do seek, however, is the proper execution of the laws as we have enacted them. We must not be cajoled or intimidated by the administration into condoning and approving its failure to accurately implement the laws of the land. I urge, therefore, that we once again take the initiative in this vital area and move to override the President's veto of the continuing appropriations resolution.

Mr. FRENZEL. Mr. Speaker, while I have voted on two previous occasions to cut off aid to Turkey, I will also support the effort to sustain the President's veto of the continuing appropriations bill. Let there be no mistake about my feelings on the subject. Our obligation to discontinue aid to Turkey in the light of their invasion of Cyprus is clear and unequivocal. The law should be enforced and this is why I voted to discontinue aid until such time as the President can assure Congress that Turkey has ceased its aggression against Cyprus.

But I also believe that we cannot afford to totally disregard the urgent warning from both the President and Secretary of State that such action will only delay the day when we achieve a total withdrawal of Turkish forces and the restoration of local control. We are told that intense diplomatic efforts are currently going on behind the scenes which could lead to some breakthroughs in the near future. Given this point of view, I supported the Mansfield resolution giving the President 60 days in which to make substantial progress toward a settlement. If these efforts fail, the aid cutoff would automatically take effect on December 15. It seems to me that this is a reasonable compromise of conflicting points of view.

I hope the House will sustain the veto and then move quickly to reconsider the Mansfield resolution.

Mr. BIAGGI. Mr. Speaker, I rise in support of an override of the President's veto of House Joint Resolution 1131. It has been almost 3 months since Turkey unleashed her forces in an illegal and unprovoked invasion of Cyprus. Yet, we find ourselves today, thanks largely to the administration, still debating the issue of a cutoff of aid to Turkey, which legally and morally should have occurred on July 20.

I have voted on three different occasions for an immediate termination of aid to Turkey. I planned to cast my fourth vote on this same issue today for precisely the same reasons as before; namely, if it is peace that we wish for Cyprus, the only way we can hope to achieve this is by cutting off the supply of arms which Turkey has so ruthlessly used to invade and occupy the island of Cyprus.

I vehemently disagree with the President's contention that a cutoff of aid will only prolong the Cyprus crisis. Anything less than an immediate and total cutoff of aid to Turkey can only serve to strengthen Turkey's grip in the island. This will prolong the suffering and misery for more than a quarter of a million Greek Cypriot refugees on Cyprus. There is no room left for compromise. Compromise inevitably means concession, and having the issue go unresolved for as long as it has represents the ultimate concession in the eyes of millions of Greek Americans who have viewed with justifiable bitterness the inaction and unresponsiveness of the U.S. Government to Turkey's actions on Cyprus.

We must remove the responsibilities for solving the Cyprus crisis from the shoulders of our Secretary of State, a man who by his "Turkey titling" policies has been instrumental in any prolongation of this crisis. His effectiveness as a mediator has been seriously damaged by his actions up to now, and to allow him any more time to work out a settlement will only serve to further embitter the Greeks and make meaningful negotiations impossible.

We must also ask ourselves, are we willing in Congress to again place ourselves in a subservient position to the administration in the determining of foreign policy? Are we going to allow a blatant violation of a congressionally passed law to go unnoticed? Are we go-

ing to allow the Secretary of State the liberty to interpret the intent of Congress in his own way, thus, in effect, superseding the law? The intent of Congress in this area is crystal clear, no military aid is to be used by any country for purposes of invasion and occupation. Any other interpretation is unacceptable.

We are about to cast a historical vote, one which will have both immediate and long-lasting consequences. A vote to override will indicate to Turkey that her aggressive policies on Cyprus will no longer be tolerated by the U.S. Government. A vote to override will send out the message to friend and foe alike that military conquests will not be stood for. Most importantly, a vote to override this veto will tell those Greek Cypriots who have seen their families and friends killed, their homes destroyed and their futures impaired, that we are committed to assisting them, and that we are still the champions of freedom for all men. We must make this message clear to the world. I urge that the President be the first to hear it.

Mr. CLEVELAND. Mr. Speaker, I rise in support of the President's veto of House Joint Resolution 1131. While I supported the measure on two earlier occasions along with amendments calling for a cutoff of aid to Turkey in the absence of substantial progress in the Cyprus negotiations, I take the position that this veto has added a new dimension to the legislation and has posed an issue much broader and more significant than the merits of this particular bill.

While I firmly believe that the Congress should reassert its constitutional responsibility in the making of overall foreign policy, much of which has been abdicated to the Executive in recent years, I do not wish to see us overreact in the opposite direction—that of Congress dictating absolute terms for negotiating foreign policy to the Executive.

For this reason, I will cast my vote to sustain the President's veto in the hope that we will be able to reach a reasonable compromise that will not hamper successful negotiations over Cyprus but will hopefully restore the NATO structure and at the same time make clear our intent that American arms be used in accordance with our laws and agreements with recipient nations.

It is clear that Turkey—although provoked to do so—did violate our laws and agreements. I deplore the aggression and suffering caused thereby. However, our objective now is to restore the situation and protect the rights of both Greek and Turkish Cypriots. I am now persuaded that the President and his negotiators need time and are in a better position than Congress to attain the objectives all agree on—to restore order and get Turkish forces out of Cyprus.

This decision does not represent a change of heart with regard to my disapproval of the Turkish activity in Cyprus nor a belief that the Rosenthal amendment was misguided, but simply a practical realization that cooperation between the Congress and the Executive is badly needed and particularly so in an area as delicate as foreign relations.

Mr. BARRETT. Mr. Speaker, the House has before it an opportunity to once again go on record suspending U.S. foreign assistance and military aid to Turkey. On two prior occasions the House overwhelmingly voted to suspend such aid. Now the House must again make its position clear by voting to override the veto of House Joint Resolution 1131.

Under present law, any country using such aid for purposes other than those specified, for internal security, legitimate self-defense, and defense activities consistent with the United Nations Charter is "immediately ineligible for further assistance." Turkey's military assault on Cyprus in August clearly violates the terms on which American military aid is provided. The Congress should not have to take any action whatsoever on this matter. The law is quite clear and the facts are incontrovertible. Congress was forced to act because the administration refused to follow the law as written and the previously expressed intent of the Congress.

The President's message in support of his veto has no relationship to the present law; nor is it persuasive in regard to reality. Turkey has no desire to come under Soviet influence or domination; nor will the suspension of aid take away the tools for our involvement in meaningful negotiations of the dispute. Quite to the contrary, it will display most clearly the resolve of our Government in such matters regarding the use of our military assistance.

Mr. Speaker, I urge the Congress to vote to override the veto of House Joint Resolution 1131.

Mr. MAHON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the joint resolution, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

So many as are in favor of passing the joint resolution, the objections of the President to the contrary notwithstanding, will note "yea." Those opposed will vote "nay." Members will record their votes by electronic device.

PARLIAMENTARY INQUIRY

Mr. LANDRUM. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman from Georgia will state his parliamentary inquiry.

Mr. LANDRUM. Mr. Speaker, there seems to be some confusion from the announcement made about how Members should vote if they want to override, or how they should vote if they want to vote to sustain.

The SPEAKER. The Chair will restate the question.

So many as are in favor of passing the joint resolution, the objections of the President to the contrary notwithstanding, will vote "yea." Those Members opposed will vote "nay." A "yea" vote is to override the veto; a "nay" vote is to sustain the veto.

The vote was taken by electronic device, and there were—yeas 223, nays 135, not voting 76, as follows:

[Roll No. 613]

YEAS—223

Abzug	Flood	Nix
Adams	Flowers	Obey
Addabbo	Flynt	O'Brien
Alexander	Foley	O'Neill
Anderson, Calif.	Ford	Owens
Andrews, N.C.	Fraser	Parris
Andrews, N. Dak.	Fulton	Patten
Annunzio	Fuqua	Pepper
Armstrong	Gaydos	Perkins
Ashbrook	Gialmo	Peyser
Ashley	Gibbons	Pike
Badillo	Gilman	Preyer
Bafalis	Goldwater	Price, Ill.
Barrett	Gonzalez	Pritchard
Bauman	Grasso	Railsback
Bennett	Green, Pa.	Randall
Bergland	Gude	Rangel
Bingham	Gunter	Reid
Blackburn	Hanley	Reuss
Boggs	Hansen, Wash.	Riegle
Brademas	Harrington	Rinaldo
Breckinridge	Hawkins	Roberts
Brinkley	Hechler, W. Va.	Rodino
Brooks	Heckler, Mass.	Rogers
Brotzman	Helstoski	Roncallo, N.Y.
Brown, Calif.	Hicks	Rooney, Pa.
Brown, Mich.	Holt	Rose
Burgener	Holtzman	Rosenthal
Burke, Calif.	Horton	Rostenkowski
Burke, Mass.	Howard	Roush
Burlison, Mo.	Hudnut	Roy
Burton, John	Hungate	Roybal
Burton, Phillip	Hunt	St Germain
Byron	Johnson, Calif.	Sarasin
Carey, N.Y.	Jones, Ala.	Sarbanes
Carney, Ohio	Jordan	Schroeder
Casey, Tex.	Karth	Seiberling
Chisholm	Kastenmeier	Shipley
Clancy	Kazen	Sisk
Clark	Ketchum	Slack
Clausen, Don H.	Kluczynski	Smith, Iowa
Clawson, Del	Koch	Spence
Clay	Kyros	Staggers
Cohen	Lagomarsino	Stanton, James V.
Collins, Ill.	Leggett	Stark
Conte	Lent	Steelman
Corman	Long, Md.	Steiger, Wis.
Cotter	Lujan	Stephens
Cronin	Luken	Stratton
Daniel, Robert W., Jr.	McCollister	Stuckey
Daniels, Dominick V.	McCormack	Studds
Danielson	McFall	Sullivan
Davis, Ga.	McKay	Symington
Davis, S.C.	McKinney	Taylor, N.C.
Delaney	McSpadden	Teague
Dellums	Macdonald	Thompson, N.J.
Dent	Madden	Towell, Nev.
Derwinski	Maraziti	Traxler
Diggs	Martin, N.C.	Van Deerlin
Dingell	Mathias, Calif.	Vander Jagt
Donohue	Matsunaga	Vander Veen
Downing	Mazzoli	Vanik
Drinan	Meeds	Vigorito
Duncan	Metcalfe	Whalen
du Pont	Mezvinsky	Whitehurst
Eckhardt	Miller	Widnall
Edwards, Ala.	Minish	Wolff
Edwards, Calif.	Mink	Wylie
Eilberg	Mitchell, Md.	Wyman
Evans, Colo.	Moakley	Yates
Fascell	Mollohan	Yatron
Fish	Moorhead, Pa.	Young, Ill.
	Morgan	Young, Tex.
	Mosher	Zablocki
	Murtha	
	Natcher	
	Nedzi	

NAYS—135

Abdnor	Cederberg	Frelinghuysen
Anderson, Ill.	Chamberlain	Frenzel
Archer	Chappell	Frey
Arends	Cleveland	Gettys
Baker	Cochran	Goodling
Beard	Collier	Green, Oreg.
Bevill	Coughlin	Gross
Biester	Daniel, Dan	Gubser
Bowen	Dellenback	Guyer
Bray	Dennis	Haley
Breaux	Devine	Hamilton
Broomfield	Dickinson	Hansen, Idaho
Brown, Ohio	Erlenborn	Harsha
Broyhill, N.C.	Eshleman	Heinz
Buchanan	Evins, Tenn.	Henderson
Burleson, Tex.	Findley	Hillis
Camp	Fisher	Hinshaw
Carter	Fountain	Hogan

Hosmer
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Kemp
Kuykendall
Landrum
Latta
Litton
McClory
McCloskey
McDade
McEwen
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Mathis, Ga.
Michel
Milford
Minshall, Ohio
Mitchell, N.Y.
Mizell
Montgomery
Myers
Nelsen
Nichols
Passman
Pettis
Pickle
Poage
Powell, Ohio
Price, Tex.
Quie
Quillen
Rees
Rhodes
Robinson, Va.
Robison, N.Y.
Runnels
Ryan
Satterfield
Scherle
Schneebeli
Shoup
Shriver
Shuster
Sikes
Skubitz
Smith, N.Y.
Stanton, J. William
Steed
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Thomson, Wis.
Thone
Thornton
Treen
Ullman
Waggonner
Walsh
Wampler
Ware
White
Whitten
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wyatt
Young, Fla.
Young, S.C.
Zwach

NOT VOTING—76

Aspin
Bell
Biaggi
Blatnik
Boland
Bolling
Brasco
Broyhill, Va.
Burke, Fla.
Butler
Collins, Tex.
Conable
Conlan
Conyers
Crane
Culver
Davis, Wis.
de la Garza
Denholm
Dorn
Dulski
Esch
Forsythe
Froehlich
Ginn
Gray
Griffiths
Grover
Hammer-schmidt
Hanna
Hanrahan
Hastings
Hays
Hébert
Holifield
Huber
Johnson, Colo.
Jones, Okla.
King
Landgrebe
Lehman
Long, La.
Lott
Mayne
Melcher
Mills
Moorhead, Calif.
Moss
Murphy, Ill.
Murphy, N.Y.
O'Hara
Patman
Podell
Rarick
Regula
Roe
Roncalio, Wyo.
Rooney, N.Y.
Rousselot
Ruppe
Ruth
Sandman
Sebelius
Snyder
Steele
Stokes
Stubblefield
Tiernan
Udall
Veysey
Waldie
Wright
Wydler
Young, Alaska
Young, Ga.
Zion

So, two-thirds not having voted in favor thereof, the veto of the President was sustained and the joint resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Moss and Mr. Roe for, with Mr. Hébert against.

Mr. O'Hara and Mr. Boland for, with Mr. Hanna against.

Mr. Murphy of New York and Mr. Ginn for, with Mr. Melcher against.

Until further notice:

Mr. Biaggi with Mr. Dorn.
Mr. Lehman with Mr. Gray.
Mr. Conyers with Mr. Blatnik.
Mr. Roncalio of Wyoming with Mr. Holifield.
Mr. Hays with Mr. Tiernan.
Mr. Steele with Mrs. Griffiths.
Mr. Aspin with Mr. Davis of Wisconsin.
Mr. Broyhill of Virginia with Mr. Dulski.
Mr. de la Garza with Mr. Mills.
Mr. Stokes with Mr. Stubblefield.
Mr. Waldie with Mr. Rarick.
Mr. Young of Georgia with Mr. Ruth.
Mr. Wright with Mr. Zion.
Mr. Denholm with Mr. Snyder.
Mr. Forsythe with Mr. Rousselot.
Mr. Sandman with Mr. Collins of Texas.
Mr. King with Mr. Crane.
Mr. Huber with Mr. Culver.
Mr. Murphy of Illinois with Mr. Sebelius.
Mr. Udall with Mr. Patman.
Mr. Froehlich with Mr. Conlan.
Mr. Esch with Mr. Bell.
Mr. Hastings with Mr. Burke of Florida.
Mr. Regula with Mr. Butler.
Mr. Conable with Mr. Hammerschmidt.
Mr. Long of Louisiana with Mr. Jones of Oklahoma.
Mr. Grover with Mr. Lott.
Mr. Hanrahan with Mr. Landgrebe.
Mr Rooney of New York with Mr. Vander Jagt.
Mr. Wydler with Mr. Ruppe.

The result of the vote was announced as above recorded.

The SPEAKER. The message and the bill, together with the accompanying papers, are referred to the Committee on Appropriations.

The Clerk will notify the Senate of the action of the House.

CONTINUING RESOLUTION VETO

Mr. CULVER. Mr. Speaker, I returned today to Washington to vote on the override of the President's veto of the continuing resolution and the other major items on the schedule. Unfortunately, the plane connections on my journey were unexpectedly difficult, and I arrived in the well of the House 15 minutes after the vote which dealt with assistance to Turkey.

Had I been here in time I would, of course, have voted with the majority that sought to override the veto. I regret that this majority fell short by 47 votes of the two-thirds necessary to prevail. For this vote today, as the two prior decisive votes on the continuing resolution, dealt with the bedrock issue of the rule of law.

We were confronted in this the need to reassert the supremacy of law in the face of its clear violations by the Turkish government in its offensive use of American arms. We are being asked not simply to validate congressional prerogatives. We are also under obligation to invoke the statutory prohibitions against military assistance and sales so that the use of force by the Turks is not rewarded.

We are properly concerned about the integrity of Congress and upholding its overwhelming judgment. But we are equally obliged to act in the interests of a genuinely negotiated and just peace in Cyprus. The continuing resolution which the President vetoed served those twin interests—the respect for law both in the relations between the Congress and the President and in the settlement of international disputes.

Unfortunately the veto by the President does nothing to advance peace in Cyprus or to advance the proper enforcement of our own laws.

There were genuine differences in this House about possible diplomatic relief in the debate on the Mansfield resolution last week. But on the core issue of legality the sense of the House, in which I fully joined, was preponderant—by votes of 370 to 9 and 292 to 69. In the vote today we should have been faithful to those declarations and to the imperatives of the Cyprus tragedy.

COMMUNICATION FROM THE CLERK OF THE HOUSE

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

October 14, 1974.

Hon. CARL ALBERT,
The Speaker,
U.S. House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:35 P.M. on Saturday, October 12, 1974, and said to contain H.R. 15301, An Act to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes, and a veto message thereon.

With kind regards, I am

Sincerely,

W. PAT JENNINGS,
Clerk,
U.S. House of Representatives.

RESTRUCTURING OF THE RAILROAD RETIREMENT SYSTEM—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 93-371)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning today without my approval, H.R. 15301, a bill which would finance a long-standing deficit in the Railroad Retirement System at the expense of the general taxpayer.

The Railroad Retirement System, under current law, is headed toward bankruptcy by the mid-1980s. This condition arises largely because benefits have been increased 68 percent since 1970 without requiring the beneficiaries of the system, railroad employees and employers, to pay the added costs.

This bill proposes to solve the financial problems of the Railroad Retirement System by placing a seven billion dollar burden on the general taxpayer, requiring him to contribute $285 million to the Railroad Retirement Trust Fund each year for the next twenty-five years. In return for his seven billion dollar contribution, the general taxpayer would earn no entitlement to benefits and would receive no return on his investment.

At a time when the taxpayer is already carrying the double burden of taxes and inflation, legislation such as this is most inappropriate.

Recognizing the financial straits of the Railroad Retirement System, the Executive Branch in 1970 proposed and the Congress authorized an independent study of the System. After eighteen months of careful work, the study group recommended that the benefits be financed ". . . on an assured, fully self-supporting basis by contributions from the railroad community through the crisis period of the next 20 to 30 years and then beyond."

Following receipt of the report, the Congress directed representatives of railroad employees and management to submit their combined recommendations for restoring financial soundness to the System, taking into account the report and the specific recommendations of the Commission.

The bill which is now before me is true neither to the recommendation of the

Commission nor to the charge placed on the industry by the Congress.

Forcing the general taxpayer to carry an unfair burden is not the only defect in this bill. It would also establish a special investment procedure for the Railroad Retirement Trust Fund.

Under the bill, the interest paid by the Treasury on Railroad Retirement investments and Federal securities would rise when interest rates increase but would not fall when they decrease. This "heads I win; tails you lose" arrangement, with the taxpayer being the loser, has been suggested before, but never adopted. It should not be a part of the solution to the Railroad Retirement System's financial problem.

Furthermore, the provisions of the benefit formula are so complex that they would be extremely difficult to administer and virtually impossible to explain to the persons who are supposed to benefit from it. Now is the time to simplify the benefit structure of the Railroad Retirement System, not make it more complex. Splitting administrative responsibility between the Railroad Retirement System and the Social Security System over benefits that depend on entitlement under the Social Security Act is bad law. Full responsibility for administering Social Security benefits should be vested in the Social Security Administration, not divided among agencies with resultant uncertainty as to who should be held accountable.

I believe it is our obligation to the general taxpayer to see that the problems of this system are overcome by the industry and people it serves—those who have benefitted from it in the past and will continue to receive its benefits in the future. Other industries—other parts of the transportation industry—pay for their own pension systems. There is no justification for singling out the railroads for special treatment.

There are only two ways this obligation can be met—by increasing revenues or by limiting benefits or by a combination of both. Administration spokesmen have proposed constructive ways to achieve this goal, but our proposals have not received serious consideration by the Congress.

We are in need of a better railroad retirement system and a financially sound one. This bill does not meet that need. I urge the Congress to reconsider that need and to develop a new bill which is fair to the taxpayers as well as to the beneficiaries of the Railroad Retirement System. This Administration stands ready to help in any way it can.

GERALD R. FORD.

THE WHITE HOUSE, *October 12, 1974.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and without objection the bill and message will be printed as a House document.

There was no objection.

The SPEAKER. The question is, will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS) for 1 hour.

The SPEAKER pro tempore (Mr. VIGORITO). The Chair recognizes the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Speaker, I would like to take a little bit of time briefly to explain the history of the Railroad Retirement Act to put the problem in its historical context. It has been talked about many times, but I would like to go back to 1951.

In 1951 the social security people came to the Railroad Retirement Board and asked them if they would join with social security. They stated that they would like to take as many Americans as they could into the social security system. A great many people think that the Railroad Retirement Board wanted to be under social security. This is not the fact. As the former Commissioner at that time said, they requested the railroad retirement fund to come under social security.

At that time, we voted to put farmers and lawyers under social security and to get as many Americans into this fund as we could. What happened was that the Congress passed a law making it imperative that the fund, the railroad retirement fund, join with social security in what they called the financial interchange under which the railroad retirement system paid into social security the money that would have accrued to social security if they had been working under social security since 1936.

This was fine as long as this happened in itself. But, under future amendments to the Social Security Act, men who had retired under the railroad retirement system could go out and get another job and get social security. This was all right, no question about that. This is legal. It is done under other pension plans. But, the law failed to take into account that they weighted both these social security benefits so that short-term employees received the full benefits under social security, along with an equivalent social security benefit paid through increased benefits under the railroad retirement system. They received, in effect, two weighted social security payments. A lot of them did this when they were furloughed; they moonlighted when they had to have extra money to supply their families. So, they qualified for social security.

In all other pension plans which involve social security, when they get additional social security credits, they are added on to the credits leading to the first social security benefits through the recomputation procedure. Since this does not involve weighting of two benefits, it makes it cut much less.

What has happened since 1951? The Railroad Retirement Board has lost reimbursement from social security amounting to $4 billion which they would have received but for these dual benefits. What we are trying to do here today is only to give justice to these men who we, by law, said would receive a Federal pension. They are retired. We are not talking about youngsters. We are talking about the aged in this land; those who are 65 years of age or older, some 75, some perhaps 85. Those are the ones we are talking about, those who have become disabled while working on the railroads; those who died while working on the railroads. We are talking about their orphans, their widows. We are talking about the most unfortunate group we can find in America.

People say that we cannot afford to pay them. I can tell the Members that we can take $285 million out of foreign aid and it will not be missed, and use it to help those here at home who actually need it. We promised our own communities, and made it a law.

I think we must stand by that. There is no other pension plan in America like this one. Up until 2 years ago the railroad pensioners paid almost twice as much into the pension fund as any other man in the land, paid far more than we as Members of Congress pay into our pension fund, that is, percentage-wise. Almost 11 percent they were paying into it. It was taking a very large slice out of their salary. But now, due to some of the negotiations and some laws that have been passed, they are now down to paying social security level. But the railroads, by negotiation, are taking up the other part of the costs of the program. They are paying over 17 percent now, but this was because the railroad worker was willing to take less wages in order to get benefits when he retired.

The Government has an obligation to make this payment. This bill was considered for some days before our committee. We considered the different alternatives that might be feasible. This is the one that the committee came out with as the only one that was feasible and the only one that was right, the only one that was just.

In the amendments we had, we checked with social security, we took it up with them. You heard the chairman of the Committee on Ways and Means say that he thought this should be passed as only right and equitable to those who receive pensions.

We are not taking anything away or giving anything to these men, women, children and widows that they did not pay for. They paid for this, and they have a right to expect it from our Government because we are the ones who passed the law and made the inequity, and now we need to pass the law which will bring it into balance. If we pass this bill today, we will not have this issue before the Congress of the United States in the future ever, unless labor and management come to an agreement to go and ask us to change it in some way.

I have a statement here from the man who represents the railroad industry, Mr. William H. Dempsey, and he said this, which he had inserted in the record in both the House and Senate committees, as follows:

The railroad industry is perfectly prepared to fund the Railroad Retirement System in every respect in which it bears a reasonable resemblance to any other private industry pension plan. What that means is

that if somehow these figures have gone askew and we run into this in the future because we have not put enough money in the bill in relation to the benefits they are being provided, we will fund that. We will take care of it. That is our responsibility.

I think that by passing this bill today, we are forever taking care of the issue as it is, and we will not have it back before us again.

There are just a few more points I would like to make before I finish. We are talking about human beings. We are not talking about material things. We are talking about orphans and widows and those who are beyond working, they can never go and get another job, the aged. Some of them, as I say, are bedfast. Some of them are lame and halt and blind, up into the ages where they cannot take care of themselves; and I do not think this Congress wants to say to them, "You cannot have the last three raises we gave you," because that is what will happen, it will knock all of them off.

I would like to say that this is justified. The second word on that dais there that was prepared by our forefathers, when we became a government and had a House of Representatives, is "Justice," if the Members will look at it down there. The first is "Union." Without union we have nothing. But without justice we cannot have a good union. We certainly want to do justice to those who are unfortunate in our land. If the people who are covered by this cannot trust their Government, who can they trust? It is our sacred word of honor as the Government to over 1 million people who are the unfortunate of this land who are the beneficiaries of this. If they cannot trust the Government and if we did not pass this, that would be just exactly what the situation would be.

Mr. Speaker, I regret to say that I feel the President has been very poorly advised on the railroad retirement bill.

His veto message completely ignores the arguments that were made in support of the bill both on the floor of the House and on the floor of the Senate.

The Interstate and Foreign Commerce Committee of the House went thoroughly into the question of how the deficit in the railroad retirement system arose. We concluded that the deficit did not arise through any actions of the railroad unions. We concluded that the deficit did not arise through any action by the railroads. The deficit arose because the Congress itself gave inadequate consideration to the question of the proper coordination between the Social Security Act and the Railroad Retirement Act. The unions never supported legislation which increased eligibility of railroad employees for social security benefits. The railroads consistently opposed such legislation.

The Congress still passed legislation making railroad employees and their spouses and survivors eligible for both railroad retirement and social security benefits. This creates lost reimbursement to the railroad fund currently running at the rate of $450 million a year. It is these losses that will bankrupt the railroad retirement fund by 1981 unless corrective action is taken.

And yet there is not a word in the President's veto message dealing with the central problem facing the railroad retirement system—that is the issue of dual benefits.

I mentioned that the President was poorly advised. Not only was he poorly advised, he was erroneously advised. The veto message states that the new investment procedures provided for the railroad retirement account are a heads-I-win-tails-you-lose proposition under which interest rates will go up for the fund when overall rates go up, but will not come down when interest rates fall. This is mistaken. The Railroad Retirement Board is given the authority under the bill to determine which investments the railroad retirement account will be invested in. If interest rates go up, of course the fund managers can obtain increased interest rates; if interest rates go down, the fund will receive whichever is higher, the overall interest rate on Government obligations, or the going interest rate, whichever is the higher.

The President's veto message states:

There are only two ways this obligation can be met—by increasing revenues or by limiting benefits or by a combination of both.

I regret to say that this statement is also erroneous, since the Congress has sent to the President a third way in which this obligation can be met, which is the provisions of H.R. 15307, which should be enacted into law over the President's veto.

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

Mr. STAGGERS. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I want to commend the gentleman from West Virginia for the leadership that he has shown in this matter and for the statement he has just made in bringing this bill before us.

It would be my hope that this veto be overridden by an overwhelming vote because it goes, first, to the problems of the defects in the Railroad Retirement system and second, to the vested right of human beings.

I again commend my colleague, the gentleman from West Virginia, for the outstanding leadership that he has shown in this field, and urge my colleagues to give him a resounding vote of confidence.

Mr. STAGGERS. I thank the Speaker for this very fine statement.

Mr. SPEAKER. I yield 5 minutes to the gentleman from Tennessee (Mr. KUYKENDALL), the gentleman who handled this bill when it was originally on the floor. I yield the 5 minutes to him for debate only.

Mr. KUYKENDALL. Mr. Speaker and Members of the House, when we brought this bill to the floor, it was made very clear that the members on both sides of the Committee on Interstate and Foreign Commerce had searched for or sought out all of the possible alternatives of financing this very necessary program.

The only alternative that was not seriously discussed by any party was the one that we all ruled out as being out of the question, not only as a matter of decency, but as a matter of honor, and that was cutting the benefits.

As a first alternative, the question of the money coming out of the social security trust fund was considered. In fact, the bill that was brought to committee had the proposal that the money come out of the social security trust fund, because, frankly, there is a great deal of justification for that. Let us remember that these moneys that go to make up the required appropriation for this bill are moneys that have been paid into social security by railroad retirees.

This bill is, I think, a dramatic show of good faith on the part of the railroad industry, particularly railroad labor, because the right to dual benefits which is maintained by those in the Civil Service system and which is maintained by those in the military is being phased out for those in the railroad industry.

This particular piece of legislation has no effect whatsoever on inflation or the unified budget without changing benefits.

As a second alternative, we looked at the possibility, which is in the bill as it was passed by the Congress, of taking this money from general revenues. All of us who are interested in budgetary control and all of us who are interested in controlling inflation must realize that whether this money comes out of social security or whether it comes out of general revenues makes no difference whatsoever on the unified budget.

A third alternative was proposed. This was that we have an ICC-mandated pass-through to the consumer of an increased freight rate to cover this increase or this cost, in effect, that we have a user charge.

This involves the railroads, and this involves the rail freight business. It is not like an airline where passengers pay a user charge, and they are only, say, 20 percent of the people in the country. The user of the railroad freight system is every man, woman, and child in the United States. Consequently, a pass-through which would automatically increase freight rates has exactly the same impact on inflation as any of the other choices.

Not only that, we have been asked to look at the competitive situation in the railway industry.

We are doing everything in the world we can to make the railroads more competitive. This final alternative would have meant an automatic mandatory increase in freight rates, which would have made the railroads even less competitive than they are today.

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

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

Mr. SKUBITZ. Mr. Speaker, I want to commend my colleague, the gentleman from Tennessee, on the statement he has made. I support him in his position completely.

I would like to ask the gentleman three questions.

First, is it not true that neither the railroads nor the brotherhoods are responsible for the condition of the fund today, and that both have complied with the requirements of the law relating to the payment of funds to the social security fund and the retirement fund?

Mr. KUYKENDALL. Mr. Speaker, not only is it true that labor and management in this situation have complied with the law of the land, as passed by this House, but the record shows also that the total amount of money paid into retirement by this industry, through the efforts of both labor and management combined, is above the average of that paid in by any other industry in the United States.

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

Second, is it not true that congressional legislation and/or congressional blundering in years gone by is responsible for the condition of the fund today?

Mr. KUYKENDALL. There is no question about that. If we had allowed the trustees of this fund to invest in higher yield bonds in the past, we would not have the difficulty we are faced with today.

Mr. SKUBITZ. Therefore, in simple justice, all this body can do is to vote to override the President's veto?

Mr. KUYKENDALL. I see no other alternative than to vote for this legislation.

Mr. SKUBITZ. I shall so vote and urge the membership of this body to do likewise.

The SPEAKER. The time of the gentleman from Tennessee (Mr. KUYKENDALL) has expired.

Mr. STAGGERS. Mr. Speaker, I yield 2 additional minutes to the gentleman from Tennessee (Mr. KUYKENDALL).

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

Mr. KUYKENDALL. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Speaker, I rise to commend the distinguished Chairman from West Virginia (Mr. STAGGERS) and the gentleman from Tennessee (Mr. KUYKENDALL), the ranking minority member of the Subcommittee on Transportation and Aeronautics, for their extensive efforts and support of this worthy measure.

In the interests of restructuring the railroad retirement system to provide a sound financial base, I urge my colleagues to support thesse long overdue railroad retirement revisions, H.R. 15301.

By voting to override the President's veto, we will be fulfilling our responsibility not only to our railroad employees, but to the entire rail system of our Nation.

President Ford vetoed H.R. 15301 because he said it would place "an unfair burden on the taxpayers." However, his message does not take into consideration the poverty conditions of those living on fixed incomes. Railroad retirees need additional benefits, not a 52 percent reduction.

By an act of Congress in 1951, the railroad pension fund was linked to the social security system. On an annual basis the railroad pension fund was to pay social security an amount social security would have collected in payroll deductions. Social security, in turn, was to pay back into the railroad pension fund the benefits railroad workers would have received if they had been covered by social security.

The veto message failed to mention that the railroad retirement fund was the loser in the arrangement with the Social Security Administration. By subtracting social security retirement money rail workers received from part-time jobs they held, before sending money back into the railroad fund, the Social Security Administration caused a loss to the fund of more than $4 billion. Certainly this was not the fault of railroad employees. We can hardly blame some incensed rail workers who are now demanding the return of their hard-earned money in order to establish their own retirement fund.

The measure before us today will revamp the system by establishing two separate sets of benefits. Railroad workers would come under the social security system for one set of retirement benefits and under a pension fund financed by the railroad industry for a second set.

Although the two-tier system will be phased out, it will still need the Government's continuing contributions until the year 2000.

The actuarial deficit under which the railroad retirement fund is currently operating was largely created by the Government's appalling bookkeeping arrangement. The responsibility for the cost of dual benefits justly belongs to the Government.

H.R. 15301 makes permanent three temporary railroad retirement benefit increases passed since 1970. If Congress does not override this veto, all railroad retiree's pensions will be reduced 52 percent effective January 1, 1975.

Accordingly, Mr. Speaker, I cannot emphasize upon my colleagues too strongly the importance of joining with me in an effort to rectify this gross inequity by voting to override the President's veto of H.R. 15301.

Mr. KUYKENDALL. Mr. Speaker, I urge that this measure be approved.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. PHILLIP BURTON), for debate only.

Mr. PHILLIP BURTON. Mr. Speaker, I rise in support of the position of the distinguished chairman of the full committee in seeking an override vote on the veto. There are just two simple points I would like to make.

The first is that we must recognize how indefensible it is that the elderly and the crippled and the dependent children who are relying on railroad retirement payments should by themselves be forced to bear an unfair portion of the brunt of the inflationary period which is confronting our people.

Second, to those Members who are troubled somewhat about seeking assistance in the relatively short term through general revenues, I would like to note that if the Railroad Retirement Board's own recommendations had been acceptable to the Secretary of the Treasury in terms of permitting an investment portfolio since the establishment of the railroad retirement fund, the railroad retirement fund would have had within it over $2.4 billion more than it presently contains to meet the added limited benefits suggested by this proposal. So quite literally we can view this action today as merely stating that we are going to correct an injustice that was brought about by the Executive, through the Secretary of the Treasury, by not permitting the managers of the railroad retirement fund to get an adequate return on the retirement dollars paid into that fund when it was set up, and on up through the 1960's.

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

Mr. PHILLIP BURTON. I yield to the gentleman from Tennessee.

Mr. KUYKENDALL. Mr. Speaker, I would like to ask the gentleman, for the benefit of both of us, whether he can confirm that this weakness which he has described is corrected in this legislation.

Mr. PHILLIP BURTON. Mr. Speaker, that is true, so that those who are in the fund will get a fair return on that money which goes into the fund and so that the fund itself can then pay a fair level of benefits.

Mr. STAGGERS. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska (Mr. MCCOLLISTER) for the purposes of debate only.

Mr. MCCOLLISTER. Mr. Speaker, I thank the chairman of the committee for yielding me this time.

Mr. Speaker, and my colleagues, I supported the bill in the committee. I supported the bill on the floor when it was before us. And I support the motion to override the veto now.

I am troubled by the impact of nearly $300 million on the budget, and yet I support the overriding of the veto because to me, as has been stated by others, there seems to be no alternative.

Let me just suggest five ways in which there might be something done, and show the Members how hopeless and pointless each of the five is.

First, we could cut the benefits, but no one has even suggested that the benefits be cut because they have been paid for over a great many years by the people who are the beneficiaries of the Railroad Retirement Fund.

Second, we could take the money from the railroad treasuries, in effect. Last week or the week before we passed a bill in the Committee on Interstate and Foreign Commerce to authorize some $2 billion in loans to the railroads because they are already hard pressed, as every Member of this House knows, to modernize their equipment, their switchyards, to build more cars, and to do all of the things that the railroads have not been able to do.

Third, we could put a tax on transportation, but the inflationary impact from that, as well as the driving away

of business to other modes of transportation I believe would be unfortunate.

Fourth, we could charge all or a part of the obligations to social security. There is some argument for that, yet our committee lacked jurisdiction to do that. More importantly, the social security fund is already in difficulty, and it would not seem to help to make that difficulty worse.

Finally, fifth, that we do that which certain people want us to do—and I think the committee and the House of Representatives are to be commended for not doing that on this occasion, is to do nothing and to have another study.

What is the justification then for taking the money from the general fund, from the Treasury?

First, because the railroad retirement funds were badly invested. They were invested for the benefit of the taxpayers rather than for the benefit of the retirees. Had the money been better invested the fund would not have been in such difficulty.

The second justification is that the interchange relationship between social security and the railroad retirement law is for the benefit of social security and to the disadvantage of railroad retirement.

Finally, the railroads are the most closely regulated private industry that we have. We control their rates through the ICC, we legislate on the terms of their labor contracts; nearly every facet of the operation of the railroads at one point or another is influenced by past actions of this Congress.

All of these reasons I suggest are reasons why this is the only alternative available to us, and why this Member is going to vote to override the veto, and hopes that the other Members of the House will do likewise.

Mr. STAGGERS. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. HUDNUT) a member of the committee, for the purpose of debate only.

Mr. HUDNUT. Mr. Speaker, I thank the gentleman for yielding and rise in support of his motion to override the President's veto of H.R. 15301, the Railroad Retirement Act. Even though I have great respect, and indeed affection and admiration for President Ford, I feel that in this instance, justice will be served best by overriding his veto and enacting the Railroad Retirement Act.

The main burden of the President's veto measure is that the bill is inflationary and will place too great a burden on the general American taxpayer. I certainly am sympathetic with the President's desire to curb inflation, and feel that we must do this by cutting unnecessary Government spending and balancing the Federal budget. I regard myself as a fiscal conservative and believe that my votes will bear this out. But I do not feel that the veto of this measure is justifiable. The objections of the Office of Management and Budget were fully explored in the hearings before our Committee on Interstate and Foreign Commerce, and they were found to lack substance. It is estimated that in the first year of enactment, this new plan will cost the American taxpayer $385 million out of the general fund, and that the total cost of it by the year A.D. 2000 will be around $4½ billion.

The question is whether or not this amount of money spread out over the next 25 years, in inflationary. I do not think that it is: Not too many weeks ago, the House voted to reduce some funding for mass transit from approximately $20 billion to $11 billion over a 6-year period—in its debate on the Federal Mass Transportation Act of 1974, and it was not thought that the lower amount of money spread out over that period of time would be inflationary—so it strikes me as stretching a point to claim that the $4½ billion that will come out of the general fund over the next quarter of a century to assist the hundreds of thousands of Americans who are beneficiaries of the railroad retirement trust fund, will compound our inflationary problems.

But beyond that, there is the question of human justice and the very serious matter of what we are going to do to fulfill our moral and legal obligation as a Congress to the persons who have been paying into the railroad retirement trust fund for years and are now either approaching retirement or currently receiving retirement benefits therefrom. The fund is losing an estimated $3 million a month, and if we are going to take care of its beneficiaries rather than simply cut their benefits, which would be unconscionable, we have only three alternatives: First, to increase the freight rates which increases in turn would be passed along to the general American public through increased prices to the consumers; second, take the retirement benefits out of the social security trust fund, which would be fiscally irresponsible; or third, take the moneys out of the general fund. This third alternative seems to be the wisest one for the Congress to take if we are not going to cop out on this matter and let the million or so older Americans who are depending upon their benefits from the railroad retirement trust fund for their very lives, starve to death.

The veto message implies that under H.R. 15301, the financial crisis of the railroad retirement system would be solved mainly through Federal funding. This is not the case. Under H.R. 15301, with one exception, the cost of retirement benefits would be paid through employment taxes and the existing actuarial deficit in the railroad retirement account would be eliminated through restrictions upon future benefits that otherwise would be payable.

The only exception is the cost of phasing out windfall dual benefits. That cost will amount to about $285 million a year for 25 years, or some 3.64 percent of annual taxable payroll. As to this matter, the veto message again misses the main point. It speaks in terms of budget priorities, as if the question were whether a new benefit program should be established, rather than of who in justice should finance benefits that are the results of a series of legislative decisions made long ago. H.R. 15301 recognizes that the financing of these benefits is a Federal responsibility. That is plainly correct.

Those dual benefits resulted from employment in other industries which did not benefit the railroad. They would be paid only to retired employees who already are receiving such benefits and to existing employees who already have qualified for them, and thus who have a vested right to those benefits. Those vested rights were created by the Congress—over the opposition of the railroads and initially of the railroad unions—which repealed restrictions that once had existed. The congressional committees clearly were correct in concluding that these vested rights cannot fairly be ignored and that the costs cannot fairly be imposed on the railroads; and, therefore, that the most reasonable alternative is to pay the cost of phasing out windfall dual benefits through appropriations from the General Treasury.

Moreover, as the committee reports emphasized, the long run effect of H.R. 15301 would be deflationary as compared with existing law. Future benefits would be reduced and increased transportation costs, which would be necessary if the carriers were required to pay even higher railroad retirement taxes, would be avoided.

In this session we passed the Pension Reform Act to guarantee that employees in industries would have their pension available at the time of retirement. I supported that legislation and consider it to be one of the most important of this session. Similarly, I feel H.R. 15301 is a very meritorious bill. We asked railroad management and labor to work out a satisfactory proposal and this is what they did. In the State of Indiana there are approximately 20,000 railroad workers on retirement and approximately 17,300 currently active employees. Many are in my district—in the Beech Grove shops—as well as in the operating locals. In my view, H.R. 15301 is both needed and meritorious. I feel my constituents as well as those of my colleagues are justified in expecting the Congress to approve it notwithstanding the Presidential veto. That is how I will vote.

Mr. STAGGERS. Mr. Speaker, I now yield 2 minutes to the gentleman from Montana, a member of the committee (Mr. SHOUP).

Mr. SHOUP. Mr. Speaker, today is a day of fulfillment of justice for thousands of competent railroad employees in the Nation.

It is also a milestone of cooperation between the Congress of the United States and the Federal bureaucracies charged with preserving and improving retirement rights of our laboring men and women.

Today in overriding the President's veto of the legislation to save railroad retirement funds for those who have earned them, the Congress is reiterating its compassion for equity for all of our people.

Mr. Speaker, I admire President Ford as a man; I cherish him as a friend; I

respect him as President of the United States.

I believe he has been badly advised in his veto action of the railroad retirement bill, and I believe our action today of overriding this veto will assist him in the future in judging the merits of arguments he listens to at the White House on our legislative action. If so, the understanding and cooperation between the two branches of Government, which we all desire, will be improved.

For many months, Mr. Speaker, the House Interstate and Foreign Commerce Committee, on which I have the honor to serve, labored long and diligently to rescue the railroad retirement fund from eventual bankruptcy.

We did so because of the thousands of hard-working railroad men and women, many of whom have devoted a lifetime to railroad service, faced future retirement without adequate pensions.

In our deliberations, Mr. Speaker, we had total cooperation from our colleagues on the House Ways and Means Committee; we had cooperation and understanding from the Social Security Administration, from the Railroad Retirement Board, and from labor, business, and financial organizations.

All, Mr. Speaker, approached the solution to the pending bankruptcy of the fund with urgency and determination to rectify its impairments. It was a heart warming and enlightening experience and one I hope we can continue to enjoy as Members of Congress.

The Congress, not many weeks ago, Mr. Speaker, passed landmark legislation providing safeguards for all pension systems within the Nation. It was legislation of high dedication to the obligation toward all those we serve.

Certainly, Mr. Speaker, our railroad retirees, present and future, have every reason to look forward to a continued spirit of cooperation from all of us on their behalf.

Our legislation was just, Mr. Speaker. Our cause was just. We sought justice for many thousands of loyal and hard-working citizens. Justice prevails here today.

Today we reaffirm that dedication by our vote.

I am pleased, Mr. Speaker, for the vindication of judgment, which kept all of us working so many weeks with so many understanding people, for such a high purpose.

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to our distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I rise in strong support of overriding this veto and I agree with the gentleman from Nebraska that we have five alternatives from which to choose. However, four of them are unacceptable. That leaves us with this bill, H.R. 15301, providing for an annual Federal appropriation of $285 million to the railroad retirement fund for the next 25 years. It is absolutely essential that we have a dual benefit system. Yet the President's message completely ignores the dual benefit and responsibility aspect of the problem. Not only was the President poorly advised on this bill; he was also erroneously counseled.

If we do not vote to override this veto we are not going to be able to come up with a new bill in this Congress to handle the problem of railroad retirement. It will be impossible to draft adequately a proposal to aid the over 1 million Americans already on the payroll plus the 600,000 railroad employees and their famlies. It is unconscionable for us to allow this to happen. We cannot abandon these people on a fixed railroad retirement income who so desperately need these benefits just to maintain a subsistence standard of living.

I urge all my colleagues to vote to override, casting your vote for the nearly 2 million people who are directly affected by this bill.

Mr. STAGGERS. Mr. Speaker, at this time I yield 3 minutes to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. I thank the chairman.

Mr. Speaker, today on this floor we are seeing an ironic lesson unfold. For the past 30 years the Federal Government through its overregulation of the railroad system, both in terms of rates and routes, has virtually destroyed the railroad system in our country. Because of the actions and inactions of our Federal Government, we have a railroad system which is prostrate today. We have a railroad system which is so weakened that we have had declining employment to the point that inadequate funds have come into the retirement fund, even though individual employees on a per capita basis pay the highest—the highest, Mr. Speaker—contribution of any retirement contribution to any industry-wide retirement system in our nation. Together the railroads and the employees pay over 23 percent to the railroad retirement system. Now we are told that because the railroad retirement system is in bad financial straits, and that because the railroad industry is virtually bankrupt, we cannot afford to see that our commitments to the retirees in the railroad retirement system are sustained.

Mr. Speaker, I urge my colleagues to support this railroad retirement bill. I urge them to support it, first, because we must keep our commitment to the retirees and employees of the railroad system; and, second, because, most importantly, let us learn the lesson—let us learn the lesson—that Government overregulation leads to the kind of problem we face here today. Let us learn the lesson that there is no substitute for a viable free enterprise system, and let us return to that kind of an economic system in this great Nation.

Mr. STAGGERS. I yield 1 minute to the gentleman from Washington, a member of the committee (Mr. ADAMS), for debate only.

Mr. ADAMS. Mr. Speaker, I thank the chairman for yielding.

I support the position of the chairman on this matter, that the veto should be overridden. It is very important that we cut off the dual benefits as of January 1 of this year, because if we simply go forward with an extension we will be compounding the problem which will certainly deepen in its crisis nature until in 1980 this fund goes broke.

So I hope the House will maintain its previous position. We know of no other way to approach the matter. We debated it fully before. If anyone had a better, more workable solution we would have accepted it. So today I hope we will override this veto.

Mr. STAGGERS. Mr. Speaker, I yield myself 1½ minutes to close the debate.

Mr. Speaker, there has been some misapprehension that this matter is covered under the Pension Reform Act. This is not true. This is a public pension fund which is controlled solely by this Congress. So if we do not pass this legislation today we will have to come back again with new legislation, and I am not sure now we can do it in the remainder of this Congress.

So I say it is simple justice to those who need our help, to the widows and the orphans and those in need and the aged. This Government promised help to those people and I do not think this House of Representatives and our Government want to go back on their word.

The SPEAKER. The time of the gentleman has expired.

Mr. DEVINE. Mr. Speaker, the Railroad Retirement Act amendments passed by Congress a few weeks ago were far from an ideal solution to the difficult problem of solving the actuarial imbalance of the railroad retirement system. At that time I would have preferred to take the bill back to the drawing board so that the Committee on Interstate and Foreign Commerce, upon further consideration, could work out a more satisfactory bill. There were many reasons to believe, based upon the activity leading up to the reporting of the bill by the committee, that such action by the House could have prompted a better response to the problem.

There are alternatives to taking $4½ billion from the General Treasury. One is to split the burden among the parties concerned. Those parties are the railroads, railroad labor, the social security system, the shipping public, and the taxpayers. One plan, not seriously considered but feasible, would be to defer some of the entirely new and increased benefits over a period of time and reduce some of them only slightly. In conjunction with such a change in benefits, a small increase in contributions by employers would result in actuarial balance. I mention this possibility which received short shrift in the committee previously. Be that as it may, the bill as it passed the House did emerge, was voted out by both Houses by overwhelming votes and sent to the President for his consideration.

It is apparent that the President did not feel justified in signing a bill which put the additional pressure upon the Federal budget. I do not argue with that position except that timing becomes a vital consideration. It is now very late

in the life of the 93d Congress. It cannot and will not remain in session between now and election day. When Congress returns in November there will be less than 5 weeks to wind up the flood of measures competing for attention. It is extremely unlikely that the Commerce Committee could bring forth a revised bill within that time.

Under most circumstances I would be unconcerned about having a less than perfect bill go on over to the next Congress. It would then begin its trek toward passage from the very beginning. Ordinarily no harm would result. In the present case, however, the income of nearly 1 million railroad retirees would be cut by roughly one-half. This we cannot, in good conscience, allow to happen. This we cannot take long chances with.

The situation before the House today leaves us with no viable alternative. We must, therefore, accept the bill which Congress agreed to and not, by sustaining the Presidential veto, create the possibility of great hardship and injustice to the retirees. For these reasons I am voting to override the veto of H.R. 15301.

Mr. BIAGGI. Mr. Speaker, I rise in support of an override of the President's recent veto of H.R. 15301, the Railroad Retirement Act Amendments of 1974. The overwhelming support which the House and Senate have previously given this bill must be reaffirmed for the future security of the retired railroad workers of America.

While I join with many Americans in supporting the battle against inflation, I am unalterably opposed to having the casualties of this battle be the workers of America. It is estimated that if this veto is sustained, the average railroad retiree pension will be reduced by as much as 52 percent by January 1, 1975. This will place railroad retirement pension benefits below that of the minimum social security payment, and this measured against our current double digit rate of inflation can only spell economic chaos for these Americans.

Older Americans living on fixed incomes have and continue to suffer the most from the effects of inflation. The railroad retiree is no exception. Thousands of these workers must rely almost exclusively on their pension for their economic survival. Yet the inflation of recent years has steadily eaten away at their means of existence, driving many of them to the brink of poverty. Let us not be the ones to push them over.

Not only was this legislation designed to help the retired railroad workers, but it was also meant to rejuvenate the fiscally troubled Railroad Retirement Act and put it on more sound financial ground. H.R. 15301 provided for a complete restructuring of the act. It was drawn up only after an intensive year long study of the entire Railroad Retirement Act by representatives of Congress and the railroad industry. The fundamental problem which the industry faced was the threat of having its pension fund resources dry up—by the year 1981. Therefore, it was incumbent that a plan be devised whereby this fiscal calamity might be avoided. This was effectively accomplished in this bill with the call for a $285 million appropriation to be paid annually from the general tax fund until the year 2000 to meet existing and future costs of the act. Yet all this hard work and effort will be in vain if we allow this irresponsible action by the President to stand.

Mr. Speaker, no railroad retiree will get rich off this legislation. We are not providing anything further than the means for economic survival for these workers in this unprecedented era of inflation. This bill represented one of its key legislative accomplishments which the 93d Congress made on behalf of American working men and women. We must continue our commitment toward finding viable solutions to inflation, but not by making those who are already suffering from its effects have to endure future hardships. The efforts of the distinguished gentleman from West Virginia (Mr. STAGGERS) are to be commended, and so that these efforts may not be in vain, and so that our railroad retirees might avoid financial disaster, I strongly urge that this veto be overriden today.

Mr. BARRETT. Mr. Speaker, I will vote to override the veto of H.R. 15301. The statements by the President in support of his veto are the same that were presented to the Congress, in committee and on the floor, by the administration. There is nothing new and the previous arguments were rejected.

The crucial point of contention appears to be the phasing out of dual benefits. These benefits were created by the Congress and the President in 1954. They were mandated by law and not by railroad labor or management. The President's Commission on Railroad Retirement, Railroad Labor and Management, and the Congress all agree that the dual benefit system must be ended, but that it must be done on a phaseout basis.

If this veto is allowed to stand, almost half a million people presently receiving annuities will be affected. Their income will be cut in more than half. They will undoubtedly be forced to seek some kind of financial assistance from the Government to merely survive. This should not be allowed to happen.

I most strongly urge my colleagues in the House to vote to override the veto on H.R. 15301.

Mr. MORGAN. Mr. Speaker, I rise to urge the House of Representatives to override President Ford's unwarranted veto of H.R. 15301, the railroad retirement bill.

What we are now considering is the very solvency of the railroad retirement system, and the President's veto jeopardizes the pension and retirement plans of more than 1½ million workers and retirees. As dean of the Pennsylvania congressional delegation, I have had the opportunity to discuss rail retirement problems with many interested parties, and I am especially concerned about the deleterious effect of the veto upon the 44,000 working railroaders and 90,000 retirees in the Commonwealth of Pennsylvania.

Mr. Speaker, the railroads and the rail unions both agree that H.R. 15301 is a responsible and effective means of insuring the financial viability of the railroad retirement system, so the only question remaining is the role which the Federal Government should play. I must point out that this bill establishes a self-supporting system, and the only Federal money sought is to protect those who, in good faith, benefited from previous congressional action.

Let us for a moment examine the Federal funding required by H.R. 15301. With only one exception, the cost of retirement benefits would be financed through employment taxes. By eliminating future accruals of dual benefits and making other changes, the actuarial deficit would in large measure be met.

The cost of the Federal Government for phasing out windfall dual benefits would be $285 million per year for 25 years. I am as aware as all Members of the need to eliminate unwarranted Federal spending, but I must point out that dual benefits would be paid only to those workers who have a vested right to them. These vested rights were mandated by the Congress, and it is unfair to require railroads to pay for this mandating of benefits. In addition, if we do not now override this veto, increased numbers of employees will qualify for windfall benefits, and the financial instability of the railroad retirement system will be exacerbated. The fight against inflation should not deprive workers of vested benefits.

Mr. Speaker, the bill was passed by the House on September 12 by a 343 to 10 margin, and the measure passed the Senate on September 25 by a 86 to 1 margin. I would like to commend the chairman and distinguished members of the House Committee on Interstate and Foreign Commerce for their efforts to develop this complicated and comprehensive legislation. I strongly urge you to vote to override the President's veto of H.R. 13501.

Mr. O'BRIEN. Mr. Speaker, I rise in support of H.R. 15301, a bill that will restructure the railroad retirement program and put it back on sound financial track.

Without the major reforms contained in this bill, the fund will be bankrupt within 10 years and the pensions of millions of railroad workers will be in jeopardy.

Yet President Ford has vetoed this measure claiming it is inflationary, that it will add to the taxpayers' already heavy burden, and that the real cause of the problem is the fact that benefits have been increased without simultaneously requiring the railroad industry to pay for these costs.

I disagree. The present situation is largely caused by lack of good judgment on the Congress part years ago. Had the Government not allowed payment of dual benefits under both social security and the railroad retirement programs, the fund would not be collapsing today.

The bill before us would at least provide a way to phase out dual benefits.

Federal funds would be needed only to continue those benefits during the transition period. The remaining deficit would be met by reducing benefits and by railroad retirement taxes paid by the industry itself.

In the long run the plan would be deflationary. Future benefits would be reduced. Higher transportation costs, which are inevitable if the carriers are forced to pay even higher retirement taxes, would be avoided.

The alternatives are of negligible value. On the one hand if we do nothing, a series of temporary extensions that has increased benefits 52 percent over the last several years will expire on January 1, leaving railroad retirees with drastically reduced benefits.

On the other hand, we can again extend those benefit increases without redesigning the basic system. This will only compound the dual benefits problem, increasing the fund's deficit as more and more employees qualify for those benefits.

To take either route would be merely a stall for time. And time cannot help this situation. We have already studied the problem to death. Congress, the railroads, and the unions have overwhelmingly recognized that H.R. 15301 is the only workable plan. President Ford has offered us no feasible alternative. The time has come for the Federal Government to assume its financial responsibility and rectify its past mistakes.

Therefore, I urge my colleagues to join me in voting to override the President's veto of H.R. 15301.

Mr. STAGGERS. Mr. Speaker, I move the previous question.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The question was taken by electronic device; and there were—yeas 360, nays 12, not voting 62, as follows:

[Roll No. 614]

YEAS—360

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bennett
Bergland
Bevill
Biester
Bingham
Blackburn
Boggs
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carey, N.Y.
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Gude
Gunter
Guyer
Haley
Hamilton
Hanley
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lent
Litton
Long, Md.
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ryan
St Germain
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Traxler
Treen
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zwach

NAYS—12

Burleson, Tex.
Camp
Chamberlain
Collier
Goldwater
Goodling
Gross
Gubser
Hosmer
Jarman
Martin, Nebr.
Minshall, Ohio

NOT VOTING—62

Aspin
Bell
Biaggi
Blatnik
Boland
Bolling
Brasco
Broyhill, Va.
Burke, Fla.
Collins, Tex.
Conable
Conlan
Conyers
Crane
Davis, Wis.
Denholm
Dorn
Dulski
Esch
Froehlich
Ginn
Griffiths
Grover
Hammer-schmidt
Hanna
Hanrahan
Hébert
Holifield
Huber
Johnson, Colo.
Landgrebe
Lehman
Long, La.
Lott
Mayne
Melcher
Mills
Moorhead, Calif.
Moss
Murphy, Ill.
O'Hara
Patman
Podell
Rarick
Roncalio, Wyo.
Rooney, N.Y.
Rousselot
Ruppe
Ruth
Sandman
Sebelius
Snyder
Stokes
Tiernan
Udall
Veysey
Waldie
Wright
Wydler
Young, Alaska
Young, Ga.
Zion

So, two-thirds having voted in favor thereof, the bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Dorn.
Mr. Moss with Mr. Hanna.
Mr. Melcher with Mrs. Griffiths.
Mr. O'Hara with Mr. Tiernan.
Mr. Boland with Mr. Rarick.
Mr. Young of Georgia with Mr. Holifield.
Mr. Ginn with Mr. Dulski.
Mr. Conyers with Mr. Blatnik.
Mr. Sandman with Mr. Davis of Wisconsin.
Mr. Huber with Mr. Mills.
Mr. Broyhill of Virginia with Mr. Snyder.
Mr. Mayne with Mr. Waldie.
Mr. Lott with Mr. Landgrebe.
Mr. Conable with Mr. Collins of Texas.
Mr. Aspin with Mr. Bell.
Mr. Udall with Mr. Crane.
Mr. Biaggi with Mr. Lehman.
Mr. Wright with Mr. Conlan.
Mr. Stokes with Mr. Denholm.
Mr. Hammerschmidt with Mr. Rousselot.
Mr. Murphy of Illinois with Mr. Patman.
Mr. Rooney of New York with Mr. Long of Louisiana.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

COMMUNICATION FROM THE CLERK OF THE HOUSE OF REPRESENTATIVES

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

WASHINGTON, D.C.,
October 14, 1974.

Hon. CARL ALBERT,
The Speaker,
U.S. House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 1:35 P.M. on Saturday, October 12, 1974, and said to contain H.R. 15323, An Act to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes, and a veto message thereon.

With kind regards, I am
Sincerely,

W. PAT JENNINGS,
Clerk,
U.S. House of Representatives.

ATOMIC ENERGY ACT AMENDMENTS—VETO MESSAGE FROM PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-370)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning without my approval H.R. 15323, "To amend the Atomic Energy Act, as amended, to revise the method of providing public remuneration in the event of a nuclear incident, and for other purposes."

The first 11 sections of the bill basically carry out recommendations of the Atomic Energy Commission, and I would be glad to approve them if they stood alone.

Section 12, however, would provide that "the provisions of this Act shall become effective thirty (30) days after the date on which the Joint Committee on Atomic Energy submits to the Congress an evaluation of the Reactor Study, entitled 'An Assessment of Accident Risks in the U.S. Commercial Nuclear Power Plants,' AEC Report Number WASH-1400, except that it shall not become effective if within the thirty (30) day period after the Joint Committee submits its evaluation, the Congress adopts a concurrent resolution disapproving the extension of the Price-Anderson Act." The import of this section is that after I have approved the bill, the Joint Committee and the Congress would further consider whether it should ever become effective.

I cannot approve legislation under these circumstances—if, indeed, the bill can properly be called legislation rather then merely the expression of an intent to legislate. The presentation of a bill to me pursuant to Article I, section 7 of the Constitution amounts to a representation by Congress that, as far as it is concerned, the legislation is ready to become effective, subject perhaps to some extrinsic condition precedent, but not to further congressional deliberation. Here, however, Congress in effect requests my approval before it has given its own.

In this instance, the clear constitutional infirmity of the bill not only affects my powers and duties but directly endangers substantial and important private rights. If the bill is unconstitutional, it will remain unconstitutional despite my signing it. As a result, a sure source of funds for prompt payment of public liability claims, a primary objective of the Price-Anderson Act, would be in doubt. The uncertainty over nuclear liability protection would also adversely affect that private investment which will be necessary as nuclear power assumes its vital role in meeting the Nation's energy requirements. The public interest would not be served by approving legislation which creates these uncertainties.

I urge the Congress to reenact the bill promptly so as to remove the problems which Section 12 now raises.

GERALD R. FORD.

THE WHITE HOUSE, *October 12, 1974.*

The SPEAKER. The objections of the President will be spread at large upon the Journal and the message and bill will be printed as a House document.

MOTION OFFERED BY MR. PRICE OF ILLINOIS

Mr. PRICE of Illinois. Mr. Speaker, I move that the message, together with the accompanying bill, be referred to the Joint Committee on Atomic Energy.

The motion was agreed to.

REQUEST TO AUTHORIZE THE SPEAKER TO DECLARE RECESS TO ACCEPT PRESIDENTIAL INVITATION TO ATTEND BILL SIGNING

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

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that it be in order at any time today for the Speaker to declare recesses, subject to the call of the Chair.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to ask what this is all about. I thought we came here to work today.

Mr. O'NEILL. Mr. Speaker, it is the intent, with the cooperation of the leadership on the other side, that the House recess at 3:30 this afternoon. There will be buses outside for the Members to go down to observe the signing of legislation at the White House. The President has invited all Members to participate.

Therefore, we would recess from 3:30, and the bells would ring at 4:30, and we would be called back into session at 4:30. That is the object of the unanimous consent request.

Mr. GROSS. In the first place, what is the object of this all-absorbing signing ceremony at the White House?

Mr. O'NEILL. The campaign reform bill. I am sure the gentleman's staff has informed him that he has been invited too.

Mr. GROSS. I do not know about that. I do know I voted against that lousy bill.

Mr. O'NEILL. Then I can be assured that the gentleman will not be in the picture.

Mr. GROSS. Mr. Speaker, I object to the request to recess for the purpose of picture taking.

The SPEAKER. Objection is heard.

Mr. O'NEILL. Mr. Speaker, to continue with my 1-minute speech, I should like to inform the House that the next legislation will be S. 3979, the additional housing funds, with 1 hour of debate.

We hope that the matter will be completed, as I understand from the experts on the committee, within a half hour.

The following bill is Senate Joint Resolution 251, the Export-Import Bank Extension for 45 days. That is a unanimous consent matter.

We will then take up S. 355, the Motor Vehicle and School Bus Safety Amendments. That is a conference report.

H.R. 15427, the Amtrak conference report, will be next.

S. 3355, the Drug Enforcement Administration conference report, will follow.

Then S. 628, the Surviving Spouse Annuity conference report, will come up.

S. 3007, the Indian Claims Commission Authorization, 1975, conference report will follow that.

H.R. 13002, the Safe Drinking Water Act will come up after we return from our recess.

Also, H.R. 16373, the Privacy Act of 1974, will not come up until after we return.

Other than the conference reports, we anticipate bringing up no new legislation.

I am sure that the Members are aware that at 2 o'clock the Committee on Appropriations will meet on the continuing resolution, and then perhaps the Committee on Rules will meet forthwith after the Appropriations Committee reports. There is a possibility we may work on this this afternoon if it does come back.

I am sure that the Members are aware of the fact that it would take a two-thirds vote to vote today, and there is a remote possibility that the chairman may call it up this afternoon.

We do hope that with the cooperation of the Members we will be able to get out tomorrow at an early hour.

Mr. Speaker, it had been my intention and I now ask unanimous consent that when the House adjourns tonight, it adjourn to meet at 11 o'clock tomorrow morning.

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

There was no objection.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. Yes, I would be delighted to yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. On the gentleman's list of conference reports the Vocational Rehabilitation conference report was not read; am I correct?

Mr. O'NEILL. These are merely the conference reports that had been scheduled.

If there are conference reports that can be brought up, we will bring them up. May I say that we will be out of here at an extremely reasonable hour. We hope to have the Members out of here by 6:30 this evening, and we will meet tomorrow at 11 o'clock.

Mr. STEIGER of Wisconsin. Mr. Speaker, I thank the gentleman.

REQUEST TO AUTHORIZE THE SPEAKER TO DECLARE RECESSES AT ANY TIME TODAY

Mr. O'NEILL. Mr. Speaker, I wish to renew my request.

Mr. Speaker, I ask unanimous consent that it be in order at any time today for the Speaker to declare recesses, subject to the call of the Chair.

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

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

EXTENDING THE REPORTING DATE OF THE REGIONAL RAIL REORGANIZATION ACT

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

Speaker's table the Senate joint resolution (S.J. Res. 250) to extend the Regional Rail Reorganization Act's reporting date, and for other purposes, and I ask unanimous consent that the Senate joint resolution be considered in the House as in Committee of the Whole.

The Clerk read the title of the Senate joint resolution.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, may we have at least a brief explanation of what is here proposed?

Mr. STAGGERS. Mr. Speaker, if the gentleman will yield, I would be happy to respond to the gentleman from Iowa.

Mr. GROSS. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, the administration, the Interstate Commerce Commission, and the U.S. Railway Association have requested Congress to pass Senate Joint Resolution 250. I might say that in the House there are over 200 Members who have cosponsored similar resolutions.

The bill would extend by 120 days the filing of the preliminary system plan for the Northeast Railroad reorganization. Under the law we passed last December, the USRA must file their preliminary system plan by October 29.

They cannot do so because former President Nixon failed to nominate the Board of Directors until late this spring. None of the extensive planning contracts required for the plan were let until this summer because of the delay.

The resolution also authorizes an appropriation of the USRA of up to $14 million in additional funds for planning, and makes a technical change in the Regional Reorganization Act.

I believe the bill is important, and without it the USRA could very well be involved in extensive litigation which would disrupt our plans for the Northeast Rail reorganization.

Mr. Speaker, I would like to hasten here to say that the funds will not be spent. I will in a moment read into the record a letter from the Director of the U.S. Railway Association saying that they will not be spent without hearings.

Mr. GROSS. Mr. Speaker, further reserving the right to object, let me say to the gentleman that it is unnecessary to read the letter. The gentleman has given the House the assurance that the letter will be offered for printing in the RECORD stating that the money will not be spent——

Mr. STAGGERS. Without hearings.

Mr. GROSS (continuing). At least over the period of the extension.

Mr. STAGGERS. Mr. Speaker, I can assure the gentleman of that. This letter so states. Until they have the hearings before the appropriate committees, the funds will not be spent. This is just an authorization. There would have to be hearings held before the appropriate committees, and the funds will not be spent until that time.

I might just read one paragraph of the letter, as follows:

I wish to assure you that the Association will not, under any circumstances, obligate funds in excess of those specifically appropriated by the Congress until such time as the appropriate Committees have an opportunity to review line items justifications of the purposes for which the funds will be used.

That would have to be taken up in the next Congress.

Mr. GROSS. That would have to have the approval of Congress?

Mr. STAGGERS. The gentleman is correct.

Mr. GROSS. Mr. Speaker, I have no opposition to the extension. I do have opposition to the expenditure of additional funds during the period of the extension.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 250

Whereas the Senate and Congress recently enacted major reorganization legislation to prevent economic disaster in the area served by the Penn Central Railroad and six other bankrupt Class I railroads (Regional Rail Reorganization Act of 1973, Public Law 93-236); and

Whereas such legislation provided for the immediate establishment of a new entity, the United States Railway Association, to plan such reorganization and to adopt and release a "preliminary system plan" within 300 days after the enactment of the legislation, and to prepare and submit the "final system plan" to the directors of the Association within 420 days after enactment, pursuant to a funding authorization not to exceed $26,000,000; and

Whereas, as a result of circumstances not within the control of the Congress or the United States Railway Association, the Association was unable to commence full-scale operations until more than four months later than was contemplated in the legislation; and

Whereas the Association will not be able to prepare reorganization plans for an efficient, adequate, safe, and reliable rail transportation system in the Midwest and Northeast region of the United States unless it is granted an additional 120 days in which to adopt the preliminary system plan and an additional 120 days in which to prepare the final system plan and authorization for funding for such additional period; and

Whereas such legislation provided a system of rail service continuation subsidies so that shippers and local and State governments could, on a matching basis with the Federal Government, continue rail service on selected lines within a State which might not otherwise continue to be operated; and

Whereas confusion has been engendered by the failure to include in such legislation a definition of which rail services are eligible for such subsidies: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 207 (a)(1) of the Regional Rail Reorganization Act of 1973 (87 Stat. 985) is amended by striking the figure "300" in the first sentence thereof and substituting therefor the figure "420".

(b) Section 207(c) of the Regional Rail Reorganization Act of 1973 (87 Stat. 985) is amended by striking the figure "420" in the first sentence thereof and substituting therefor the figure "540".

(c) Section 214(c) of the Regional Rail Reorganization Act of 1973 (87 Stat. 985) is amended by striking the figure "$26,000,000" and substituting therefor the figure "$40,000,000".

(d) Section 402(c) of the Regional Rail Reorganization Act of 1973 (87 Stat. 985) is amended by inserting "(1)" before the first sentence thereof, redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively, and by adding the following new paragraph:

"(2) Rail freight services eligible for rail service continuation subsidies pursuant to subsection (b) of this section are—

"(A) those rail services of railroads in reorganization in the region which the final system plan does not designate to be continued;

"(B) those rail services in the region which have been at anytime during the five-year period prior to the date of enactment of this Act, or which are subsequent to the date of enactment of this Act, owned, leased, or operated by a State agency or a local or regional transportation authority or with respect to which a State, a political subdivision thereof, or a local or regional transportation authority has invested at any time during the five-year period prior to the date of enactment of this Act, or invests subsequent to the date of enactment of this Act, substantial sums for improvement or maintenance of rail service; and

"(C) those rail services in the region with respect to which the Commission issues a certificate of abandonment effective on or after the date of enactment of this Act.".

(e) The last sentence of section 403(a) of the Act is amended to read: *"Provided, however*, That any rail service for which a State agency or local or regional transportation authority receives such loan is no longer eligible for a rail service continuation subsidy pursuant to section 402 of this title.".

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO HAVE UNTIL 4 P.M., FRIDAY, OCTOBER 25, 1974, TO FILE A REPORT ON H.R. 17234, FOREIGN ASSISTANCE ACT AMENDMENTS

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs have until 4 p.m., Friday, October 25, 1974, to file a report on H.R. 17234, to amend the Foreign Assistance Act.

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

There was no objection.

TO AUTHORIZE, ENLARGE, AND REPAIR VARIOUS FEDERAL RECLAMATION PROJECTS AND PROGRAMS

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 15736) to authorize, enlarge, and repair various Federal reclamation projects and programs, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 11, line 21, strike out "There" and insert: "At the election of the municipality, the United States shall make electric power and associated energy available to the municipality from the Colorado River storage project at the 69 kilovolt bus of the existing power substation at scheduled rates effective from time to time for resale by the municipality to an electric utility: *Provided*, That the sale agreement between the municipality and such utility is completed before August 1, 1976: *And provided further*, That in lieu of such purchase and resale, there".

Page 11, line 25, after "in" insert: "the event the municipality decides before August 1, 1976, to acquire said facilities through the exercise of its powers of eminent domain or the amount necessary for the municipality to acquire such facilities in".

Page 31, strike out all after line 17 over to and including line 7 on page 34.

Page 34, line 8, strike out "XII" and insert: "XI".

Page 34, line 10, strike out "1201." and insert: "1101.".

Page 34, line 17, strike out "1202." and insert: "1102.".

Page 34, line 24, strike out "1201" and insert: "1101".

Page 35, line 1, strike out "XIII" and insert: "XII".

Page 35, line 3, strike out "1301." and insert: "1201.".

Page 35, line 16, strike out "1302." and insert: "1202.".

Page 35, line 23, strike out "1303." and insert: "1203.".

Page 36, line 1, strike out "XIV" and insert: "XIII".

Page 36, line 3, strike out "1401." and insert: "1301.".

Page 36, after line 13, insert:

TITLE XIV

ELEPHANT BUTTE RECREATION POOL, NEW MEXICO

SEC. 1401. (a) Pending the negotiation of contracts and completion of construction for furnishing water supplies for tributary irrigation units as authorized by section 8 of the Act of Congress dated June 13, 1962 (Public Law 483; 76 Stat. 96), and subject to the availability of stored water in Heron Reservoir in excess of one hundred thousand acre-feet, which water is not required for existing authorized uses, the Secretary of the Interior is authorized to permit releases from the Heron Reservoir of the San Juan-Chama project to provide storage and establish a minimum recreation pool in Elephant Butte Reservoir. Such releases, to the extent of the available supply, shall be limited to providing fifty thousand acre-feet for the initial recreation pool and up to six thousand acre-feet of water delivered to Elephant Butte Reservoir annually, for a period not exceeding ten years from establishment of the recreation pool, to replace loss by evaporation and other causes. Authorized releases, as provided above, are subject to and subordinated to any obligations under contracts for San Juan-Chama project water now or hereafter in force and for filing and maintaining a pool in Cochiti Reservoir under the Act of Congress dated March 26, 1964 (Public Law 88-293; 78 Stat. 171). The provisions of section 11(a) of the Act of June 13, 1962 (76 Stat. 96), requiring a contract satisfactory to the Secretary for the use of any water of the San Juan River are hereby expressly waived with respect to the use of water required to establish and maintain a permanent pool in Elephant Butte Reservoir: *Provided, however*, That nothing in this Act shall be construed to diminish, abridge, or impair any water rights of the Jicarilla, Southern Ute, Navajo and Ute Mountain Indians. Releases, as authorized by this title, shall be discontinued or reduced upon a finding by a court of competent jurisdiction that such releases are detrimental to such Indian water rights.

(b) The releases of water from Heron Reservoir authorized herein shall not be permitted unless and until the Rio Grande Compact Commission agrees by resolution that—

(1) the term "usable water" as defined in Article I of the Rio Grande Compact shall not include San Juan-Chama project water stored in Elephant Butte Reservoir;

(2) in the determination of "actual spill" as that term is defined in article I of the Rio Grande Compact, neither the spill of "credit water", as that term is defined in article I of the Rio Grande Compact, shall not occur until all San Juan-Chama project water stored in Elephant Butte Reservoir shall have been spilled; and

(3) the amount of evaporation loss chargeable to San Juan-Chama project water stored in Elephant Butte Reservoir shall be that increment of the evaporation loss from the storage of San Juan-Chama project water; the evaporation loss from the reservoir shall be taken as the difference between the gross evaporation from the water surface of Elephant Butte Reservoir and the rainfall on the same surface.

(c) Fifty per centum of any incremental costs incurred by the Secretary in the implementation of this title shall be borne by a non-Federal entity pursuant to arrangements satisfactory to the Secretary.

SEC. 1402. Nothing contained in this title shall be construed to increase the amount of money heretofore authorized to be appropriated for construction of the Colorado River storage project, any of its units, or of the Rio Grande project.

SEC. 1403. Nothing herein shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Rio Grande compact.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, would the gentleman from California briefly explain the Senate amendments in which concurrence is sought?

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

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

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

Mr. Speaker, I am happy to explain the amendments of the Senate to this legislation.

First, I assure my colleagues that the amendments are germane—they involve no additional cost or authorizations—and they have been cleared with the minority and the Member in whose district the affected program is located.

AMENDMENTS TO TITLE I—INCORPORATION OF PAGE, ARIZ.

Section 108(b) of H.R. 15736, as passed by the House, authorized a loan of $2 million from the Upper Colorado River Basin fund to the city of Page with which to purchase the privately owned electrical distribution system in the city—by exercising an option for such purpose, as contained in the contract between the owners of the distribution system and the United States.

The amendment of the Senate adds language whereby the municipality might elect to exercise its right as a preference customer of Colorado River storage project power—and resell such power at an agreed upon wholesale markup to the private utility which now owns the system.

Additional language was added by the Senate to section 108(b) to make the loan available to the city of Page for its use in acquiring the system by exercise of eminent domain in the event the city would wish to acquire it before the expiration of the present contract on Aug. 1, 1976.

A second amendment of the Senate to H.R. 15736 deals with title XI, Elephant Butte Recreation Pool, New Mexico.

Because of concerns expressed by certain Indian tribes in the State of New Mexico, after the bill was passed by the House of Representatives, to the effect that the legislation might damage the rights of such tribes, the amendment of the Senate adds a proviso in the nature of a savings clause.

This clause provides that the legislation shall not be implemented if a court of competent jurisdiction determines that such implementation does in fact infringe the rights of the tribe or tribes.

The amendment of the Senate also renumbers titles and sections of the bill so that the Elephant Butte legislation now appears as title XIV.

Mr. GROSS. Mr. Speaker, from the explanation given by the gentleman from California I take it that the amendments are fully germane?

Mr. JOHNSON of California. The amendments are fully germane, and they are very minor.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. KING. Mr. Speaker, I would like to have the RECORD show that my plane was 15 minutes late today. Had I been here in time on rollcall No. 613 I would have voted to override the President's veto on the continuing resolution.

TO INCREASE LIMIT ON DUES FOR U.S. MEMBERSHIP IN INTERNATIONAL CRIMINAL POLICE ORGANIZATION

Mr. EILBERG. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 14597) to increase the limit on dues for U.S. membership in the International Criminal Police Organization, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 9, strike out "$20,000" and insert: "$30,000".

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

Mr. GROSS. Mr. Speaker, reserving the right to object, may we have a brief explanation of the necessity for this legislation?

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

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

Mr. EILBERG. Mr. Speaker, as passed by the House, H.R. 14597 authorizes $20,000 to meet the unpaid dues for Interpol for calendar year 1973. When this Executive communication was introduced and when it was considered by the House, we were advised that $20,000 would be an adequate amount to satisfy our 1973 unpaid dues.

In fact, the current 1973 deficiency actually amounts to $22,382 and recognizing the daily fluctuation in the international money market, the Senate increased the authorization to $30,000.

Mr. GROSS. So this is necessitated by reason of a mistake as well as the devaluation?

Mr. EILBERG. That is right. The mistake was made by the Department of the Treasury.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. PEPPER. 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 Florida?

There was no objection.

MORTGAGE CREDIT FOR HOME PURCHASES

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1446 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1446

Resolved, That upon the adoption of this resolution it shall be in order in the House to consider the bill (S. 3979) as passed by the Senate on October 10, 1974, to increase the availability of reasonably priced mortgage credit for home purchases. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, the previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit with or without instructions to the Committee on Banking and Currency.

The SPEAKER. The Chair recognizes the gentleman from Florida for 1 hour.

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

Mr. Speaker, upon adoption of the rule it shall be in order in the House to consider the bill S. 3979, with 1 hour of general debate, as passed by the Senate on October 10, 1974, to increase the availability of reasonably priced mortgage credit for home purchases.

S. 3979 establishes a housing trust fund which shall be used to carry out the purposes of the bill. S. 3979 provides that whenever the Secretary of Housing and Urban Development determines that a substantial number of families are unable to obtain mortgage credit at reasonable rates due to high interest rates or reduced availability of mortgage credit and that the inability to obtain such credit is causing or threatening to cause a substantial reduction in the volume of home construction or acquisition and is delaying the orderly achievement of the national housing goals contained in the Housing and Urban Development Act of 1968 the Secretary shall direct the Government National Mortgage Association to begin making commitments to purchase mortgages.

Mr. Speaker, I urge the adoption of the rule in order that we may discuss debate and pass S. 3979.

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

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

Mr. GROSS. I thank the gentleman for yielding.

Where may I obtain a copy of the report on this bill?

Mr. PEPPER. I will ask the distinguished chairman of the subcommittee. I have a copy of the bill; I do not have before me a copy of the report. I will ask the able gentleman from Pennsylvania, the chairman of the Subcommittee on Banking and Currency, if he would reply.

Mr. BARRETT. There really is not a House report.

Mr. GROSS. If the gentleman will yield, is there no report on a bill of this magnitude?

Mr. BARRETT. There is an urgency. There is an emergency. We must get housing starts moving immediately before this House goes into recess.

Mr. GROSS. If the gentleman will yield further, does not this bill involve nearly $8 billion?

Mr. BARRETT. The bill ultimately would call for $7¾ billion, but the President is indicating that he will authorize the immediate spending of $3 billion.

Mr. GROSS. When did the House committee consider this bill, if the gentleman will yield further? When did the House committee consider this bill?

Mr. BARRETT. Committee members considered this on Thursday. It came over as an emergency measure on Thursday. We went before the Committee on Rules hoping that we would get the rule to go before the House on Friday. For reasons known to the leadership, they thought it would be much better to put it over until today.

Mr. GROSS. If the gentleman will yield, I am well aware of the fact that it was proposed to call this bill on Friday, within an hour or so after the Rules Committee had voted a rule, but the gentleman was well aware that he could not get unanimous consent to consider an $8 billion bill of this kind on such notice.

This is a closed rule, is it not? I will ask the gentleman from Florida.

Mr. PEPPER. It has that effect because the emergency was such the committee requested of the Rules Committee this kind of rule and said they would not have the time to send this back to the committee. This is the urgency the President had in mind when he said in the joint session the other day he would make immediately available several billion dollars for these home mortgages so that the housing industry which has been so terribly stagnant might be partially relieved.

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

Mr. PEPPER. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman from Florida.

I want to follow along on this. Part of my questions I had intended to ask have been answered, but in part only. There is no report on this bill.

Mr. PEPPER. That is right. The bill came over from the Senate and the House Banking and Currency Committee met and considered it.

Mr. GONZALEZ. I beg the gentleman's pardon. When did the House Banking and Currency Committee meet on this? I am on that committee. When did it meet?

Mr. BARRETT. Mr. Speaker, if the gentleman will yield, the leadership asked us on Friday to bring this out as an emergency bill. The question was asked, Was there a House report on this bill?

Mr. GONZALEZ. That is right.

Mr. BARRETT. No, there was not. We have studied the bill. Of course, we looked at it as being very important to the economy and to the people on the unemployment rolls. We decided then we would move as expeditiously as we could, and so we asked for a rule, a closed rule to take the bill up immediately. That was on Friday afternoon. We are hopeful we can get it on the floor today because of the great urgency for the bill.

I know it is a good bill. It is absolutely necessary if we are going to help the unemployment situation, to mitigate unemployment by creating more housing starts.

Mr. GONZALEZ. The gentleman did not answer my question. The statement was made that the House Banking and Currency Committee had a meeting of the committee on this bill. What I want to know is, when did the committee meet on this bill?

Mr. BARRETT. The gentleman probably was invited or asked to attend the meeting of the Democrats on the Banking and Currency Committee.

Mr. GONZALEZ. Oh, well, that.

Mr. BARRETT. We discussed this bill. The chairman of the full Committee on Banking and Currency was directed by the Democrat members of the Banking and Currency Committee to get a rule. There was unanimous consent. We had contacted the minority. The minority leader appeared before the Rules Committee and said he was 100 percent for this bill.

Mr. GONZALEZ. Please do not misinterpret me. I am not trying to be difficult, but the version I saw of what apparently was the basis for the granting of the rule was a version that I think requires very close study. The statement was made that a committee meeting had been held on this bill. I do not recall any. I think what the gentleman referred to was the caucus of the Democrats that was called rather quickly on Thursday, but that is not a meeting of the committee. The Banking and Currency Committee has not met on this legislation.

Mr. BARRETT. That is true.

Mr. GONZALEZ. I thank the gentleman.

The other question I had was when the Rules Committee was asked to grant a rule on this bill, what they had in effect was the Senate version.

Mr. PEPPER. We had the Senate bill which is before the House today and it was the subject of this rule. The chairman of the Banking and Currency Committee and the chairman of the subcommittee, both distinguished gentlemen, appeared before the Rules Committee and asked the Rules Committee to vote out this resolution.

They pointed out it was contemplated by the President to withdraw the housing bill immediately and pointed out the impossibility practically of getting it amended in the House and back to the Senate and back here before the election. It was on that basis that the Committee on Rules granted the rule.

Mr. GONZALEZ. Following along that line of questioning, the only thing the Committee on Rules had before it was the Senate legislation and it, in effect, granted upon that presentation a closed rule. What we are being asked today is to defer, to abdicate our responsibility of debating the measure to the Senate. What we are asked to do is vote up or down, to vote a wholly Senate-concocted measure.

For example, there was an amendment appended to the Senate version by Senator PROXMIRE, which I would like to see a copy of, but we do not even have a copy of this bill, much less the report on it.

Mr. PEPPER. Here is a copy of the bill. I would be glad to give it to the gentleman.

Mr. GONZALEZ. Now, on page 4 of this Senate version of the bill, we have a condition precedent to the issuance of whatever it is that this bill is supposed to trigger off, to help housing, employment, and everything else.

Now, it is involved. It is complicated. It is very expensive. As I interpret this, just from a cursory reading of it, it is going to be a countervailing factor against which the gentleman says is an emergency situation giving rise to this quick consideration of the bill.

Mr. PEPPER. I will ask the gentleman from Pennsylvania to comment on this. The Proxmire amendment required an interest rate for the Government to pay for the money made available for these purposes.

Mr. GONZALEZ. That is true, but it does not restrict the interest rate and the maturity rate and everything else of U.S. bonds in certain categories. It in effect would amount to a limitation, even if we are going on the current market values here of a little better than 8 percent; but that is a point we need to discuss. This is the thing I am saying. I cannot understand how a Member of the House can intelligently pass on this without even having a copy of the bill.

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

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

Mr. GROSS. At the start of this colloquy with the gentleman from Pennsylvania (Mr. BARRETT), he said there was a meeting of the Banking and Currency Committee on Friday morning last. Now, was there a meeting of the committee or was there not a meeting of the committee?

Mr BARRETT. I am sorry. I am speaking only of the Democratic members of the full Committee on Banking and Currency. We thought it was necessary to get a consensus to do what we could to facilitate getting mortgage money to the market, to create starts especially in the conventional area. We had dropped off, as the gentleman knows, from 2.2 million starts in 1973 to only 1.1 million starts last month.

Mr. GROSS. The question is, was there a quorum of the majority present?

Mr. BARRETT. We had most of the Democrats there. But the gentleman from Texas says apparently he was not notified of the meeting. I certainly regret that.

Mr. GROSS. Then there was a caucus and there was no meeting of the committee.

Mr. BARRETT. It was simply a meeting of the Democratic members. I am sorry for my earlier misstatement.

Mr. BROWN of Michigan. Madam Speaker, will the gentleman yield?

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

Mr. BROWN of Michigan. Madam Speaker, let us put this in the proper perspective and chronology. When the President appeared before the House in joint session he advocated enactment of legislation which was then under consideration in the Senate, the so-called Brooks-Cranston bill.

Those of us who are active in the housing area were familiar with the legislation pending in the other body. Pursuant to the President's request that we proceed as expeditiously as possible in the passage of this legislation, the Senate enacted its bill. Its bill came over here, and I think their action was taken on Thursday.

Immediately, on Friday, we went before the Rules Committee and requested the Rules Committee to give us a rule so that we could do that which is contemplated by the rules of the House; that is, under a rule, take a bill from the other body from the Speaker's desk and bring it directly to the House. This is an unusual proceeding, but it is contemplated by the rules.

At that point in time the Senate had not had an opportunity to do a report, except that the CONGRESSIONAL RECORD included the total debate on the bill, the reason for the Proxmire amendment, and all of the other matters, so that it was before this body even though there was not a report.

Because the Members of the House that appeared before the Rules Committee—and I should mention although it was only a Democratic group that met on the bill—all members of the Housing Subcommittee on the minority side had introduced almost identical legislation on this side, so that when we appeared before the Rules Committee, I spoke in behalf of the rule and urged that it come before this body.

We were all familiar with the legislation. I do not think anyone is being surprised by this procedure. I think the Rules Committee was entirely proper in taking the action it did. I trust we will adopt the rule and pass this legislation.

I should point out that this is single-purpose legislation. It does one simple single thing. That is, it permits the Government National Mortgage Association not only to purchase FHA-insured and VA-insured mortgages, but also to purchase conventional mortgages, because that is one of the areas in which the housing industry is suffering the most.

Mr. PEPPER. Madam Speaker, I thank the gentleman for his explanation.

Mr. McKINNEY. Madam Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Madam Speaker, we have accepted pretty well our legislative modernization on the floor of this House concerning the minority staff. Now, we are finding out that there is no need to have a minority.

As a member of this committee I was never informed that this bill had arrived in the House. I was never informed that it was going to be considered by the committee. I was never informed that it was going before the Rules Committee. The gentleman appalls me when he talks about expeditious action.

I will come down here and stay until election day if need be, but I think what the gentleman is admitting today is that this is a great bill, something we have to have, so let us throw the whole House of Representatives out the window the way we do every time we get in a crunch.

The fact of the matter is that what we have done today violates every single precept of the House of Representatives. There had been no hearings. There had been no meetings. There have been no quorums. There has been no minority notification. In essence, what we are saying is, "Here is a good bill from the Senate. Let us abolish the House."

Mr. SIKES. Madam Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the able gentleman from Florida.

Mr. SIKES. Madam Speaker, it occurs to me that much more concern is being expressed about details of procedure on the housing bill than on the essentiality of the housing bill. Admittedly, the procedure which has been followed to bring this bill to the floor is not the most desirable that could be devised. Nevertheless, there has been a shortage of time. There is information in the CONGRESSIONAL RECORD on the bill which is before us from the Senate action. There will be opportunity for general debate as provided by the rule and I presume there will be further opportunity for discussion under the 5-minute rule.

What we must not lose sight of is the fact that there must be legislation which will benefit the housing industry and the lumber industry. These are undoubtedly among the hardest hit in the American economy. This bill is directed at housing but it will benefit both. Housing starts are far, far below normal expectations. The lack of construction has very adversely affected the lumber industry and, as a result, many lumber mills are closing. All of this means unemployment and further stagnation of the economy.

The President has identified this as probably the Nation's No. 1 economic problem. He has asked for action before the Congress recesses. Under all circumstances, we should send him a bill which will help to stimulate the Nation's economy. This bill may not be perfect, but as long as it is acceptable, and will help to do the job, we should vote for it. It has passed the Senate. It will expedite matters if the House approves it without amendment.

The Nation can benefit in many ways from a bill to stimulate housing. Interest payments have been a particular problem. High interest and tight money go hand in hand. This bill will help to lessen these problems. We must look ahead. We must attempt to give the President legislation which he can use to stimulate action in these industries as quickly as possible, and to help in the all-important work of restoring confidence to the American economy.

Mr. MARTIN of Nebraska. Madam Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Nebraska.

Mr. MARTIN of Nebraska. Madam Speaker, I would like to call to the attion of the gentleman from Florida that in his remarks he stated there would be ample time under the 5-minute rule to debate this bill. I would call his attention to the resolution. There is no 5-minute rule. We are not going to operate under the 5-minute rule.

This is a closed rule with 1 hour of debate, to be controlled by the majority. No amendments may be offered to vote up or down on the legislation, so we will not be operating under the 5-minute rule.

Mr. WAGGONNER. Madam Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the able gentleman from Louisiana.

Mr. WAGGONNER. I thank the gentleman from Florida for yielding. Because of the statement of the gentleman from Nebraska, I just want to utilize some time during the debate on the rule to get answers to some of the questions that we normally could get through a committee report. Of course, time has not allowed the preparation of a report. I want to make it crystal clear to the gentleman from Pennsylvania—and I wish to support this legislation strongly—that these are not antagonistic questions by any stretch of imagination. Some matters need clarification.

Of course, we are amending legislation that the bill is not really clear about. Title III of the National Housing Act is that portion of the National Housing Act which has to do with Ginnie Mae. Am I correct?

Mr. BARRETT. The gentleman is correct.

Mr. WAGGONNER. So, when the bill refers to the "Association," we are talking about authority being granted to Ginnie Mae by the legislation. Am I not correct?

Mr. BARRETT. The gentleman is correct.

Mr. WAGGONNER. Further, page 3 of the bill, line 17, has a statement concerning "balances which do not exceed 80 percent of the value of the property securing the mortgages"; there we are saying that home buyers must have made at least a 20-percent downpayment. Is that correct?

Mr. BARRETT. The gentleman is absolutely correct.

Mr. WAGGONNER. However, our recent track record being what it is, is it not true that because of the lack of mortgage money, people are being asked to do what they cannot do; that is, to provide 40 or 50 percent downpayments?

Mr. BARRETT. The gentleman is correct.

Mr. WAGGONNER. Do we have some reason, Mr. Chairman, to believe that this bill, in itself, will be sufficient? I am concerned that maybe this 20-percent downpayment requirement is maybe too high.

Mr. BARRETT. It may be. But 90- and 95-percent loans may still be available where there is private mortgage insurance.

Mr. WAGGONNER. Madam Speaker, I thank the distinguished gentleman from Florida for yielding.

Mr. BROWN of Michigan. Madam Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the distinguished gentleman from Michigan.

Mr. BROWN of Michigan. I thank the gentleman for yielding. I made a mistake on the floor I want to correct. I said all members of the Housing Subcommittee on the minority side had introduced almost identical legislation. I was in error. The gentleman from California (Mr. ROUSSELOT) did not sign the bill.

Mr. PEPPER. I yield for debate to the distinguished gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Madam Speaker, I yield myself 4 minutes.

It seems to me that the exercise we are going through this afternoon demonstrates that popularity, as far as the House committee is concerned, may be a purely ephemeral thing because it was just a few days ago that we repulsed an assault on the Rules Committee that was contemplated under the terms and provisions of the so-called Hansen substitute to the Bolling-Martin resolution, a provision which would have made it possible to completely make an end run around the Rules Committee and report out legislation. This afternoon, in what we hope are the dying hours of this session of Congress, the Rules Committee, in an effort to prove that it could with solidarity and dispatch report out very quickly an emergency measure that had been requested a matter of days before by the President of the United States in an address to the joint session of Congress, is now being challenged upon the grounds that it has done something unprecedently violative of the rules of the House and the directions of the Members, and so on.

I would certainly express the hope that we would not become so embroiled and so enamored of the procedural niceties of the situation that we forget the very important substantive issue with which we are dealing, which is, as the gentleman from Florida pointed out, that the housing industry is in a state of crisis.

When housing starts are down to 1.1 million, as they were in a recent month, against the national goal of 2.6 million units, either something is wrong or something needs to be done quickly.

All of us, regardless of the part of the country we come from or the district we represent, know that one of the prime problems is the shortage of mortgage money and that because of disintermediation and a lot of other conditions in the money markets which we will not take the time to go into, there is a shortage of mortgage money. As a result, houses are not being constructed.

The President, when he addressed the Congress of the United States on the 8th of October, said:

> Without question, credit is the lifeblood of housing. The United States unfortunately, is suffering the longest and the most severe housing recession since the end of World War II.

There was a challenge. What was the response? Two days later, the Senate of the United States acted on the very measure which the President had referred to by name in that particular speech, the so-called Brooke-Cranston bill. They acted by a vote of 77 to 0, unanimously sent the bill over, and it was placed on the Speaker's desk.

Today, if we adopt this resolution, we simply take it from the Speaker's desk and we have an hour to debate the bill under what is a closed-rule procedure, to be sure. However, think of the alternatives. Think of what will happen if we adopt this under an open rule and amendments are adopted and then we have to go to conference with the other

body and something happens so that we either go home for this recess without finally passing this legislation or we put it over until the 12th of November.

In that case, we would be sending out a signal, it seems to me, to the housing industry of this country and to the people who want to buy homes that we are not interested in demonstrating our concern for their problems and that we are not interested in showing that we can act with dispatch.

Therefore, I would plead with the Members of this body to remember that this is not an unprecedented thing we are doing. We have taken bills up under closed rules of this kind before.

It is unfortunate, I think, that there was some misunderstanding when certain witnesses appeared before the Committee on Rules on Friday of last week as to whether or not an actual, formal meeting of the full Committee on Banking and Currency had been held to consider this legislation. It now is clear from the record made here today that it was not, that it was a caucus, in effect. However, as the gentleman from Michigan (Mr. BROWN) has said, he and the ranking member of the committee, the gentleman from New Jersey (Mr. WIDNALL), had introduced bills almost identical to the Brooke-Cranston bill. They appeared before the Committee on Rules. They indicated their consent to the kind of procedure that was called for.

Therefore, I do not think that we have done great violence to the procedures of this House in granting the kind of resolution that we would want to grant.

In concluding, Madam Speaker, I would urge the Members to promptly adopt House Resolution 1446 so that we may get on with consideration of S. 3979, which is a bill that would increase the availability of recently placed mortgage credit for home purchases, so that before we go home, hopefully tomorrow, we can have done much to answer the request of the President of the United States that we take quick, effective, immediate action in this area.

Mr. BROWN of Michigan. Madam Speaker, will the gentleman yield?

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

Mr. BROWN of Michigan. I thank the gentleman for yielding.

I think there are two or three points that ought to be made.

One is that the purpose contemplated by this legislation is probably the No. 1 item in priority on the list of things that all of those in the industry feel need to be done if we are going to do something about turning around the depressed situation in housing starts.

Now, that is top on the priority list of everybody in the housing industry, but, after all, what it really means is that it is top on the priority list of every prospective home buyer, anyone who is seeking mortgage money.

Second, it is a single-purpose piece of legislation. It merely extends the purchase authority of Ginnie Mae, the Government National Mortgage Association, to conventional mortgages, whereas the authority heretofore has been limited to mortgages insured by the FHA or the VA.

The SPEAKER pro tempore (Mrs. BURKE of California). The time of the gentleman from Illinois (Mr. ANDERSON) has expired.

Mr. ANDERSON of Illinois. Madam Speaker, I yield 1 minute to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Finally, Madam Speaker, if I may continue, every time we get to the very brink of a recess, unusual actions are necessary. Now, if we want to wait for another 30 days or so, or even more than that, while we are in recess, before we take any action to try to turn the housing situation around, then I guess we are welcome to do so but I do not think we should.

I happen to think that under these very constrained circumstances and with the very constrained provisions of the bill which is before us, that we ought to proceed. I trust that my colleagues agree with me.

Mr. ANDERSON of Illinois. Madam Speaker, I yield 5 minutes to the gentleman from Nebraska (Mr. MARTIN).

CALL OF THE HOUSE

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

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

Mr. MURPHY of Illinois. Madam Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 615]

Addabbo	Goldwater	Rarick
Archer	Gray	Rees
Aspin	Griffiths	Reid
Bell	Grover	Roberts
Blatnik	Hammer-schmidt	Roncalio, Wyo.
Boland	Hanna	Rooney, N.Y.
Bolling	Hanrahan	Rousselot
Brasco	Hansen, Idaho	Roy
Brotzman	Hansen, Wash.	Ruppe
Brown, Calif.	Harsha	Ruth
Buchanan	Hébert	Sebelius
Burke, Fla.	Holifield	Selberling
Carey, N.Y.	Hosmer	Sikes
Clark	Huber	Smith, Iowa
Clay	Johnson, Colo.	Snyder
Cochran	Jones, Ala.	Steed
Collins, Tex.	Kemp	Steele
Conable	Landgrebe	Steelman
Conlan	Long, La.	Steiger, Ariz.
Conyers	Lott	Stephens
Crane	McCollister	Taylor, Mo.
Davis, Ga.	Mathis, Ga.	Teague
Davis, Wis.	Mayne	Tiernan
Dellums	Melcher	Udall
Denholm	Michel	Ullman
Dickinson	Mills	Veysey
Diggs	Minshall, Ohio	Whitehurst
Dorn	Moakley	Wiggins
Drinan	Moorhead, Calif.	Wilson, Charles H., Calif.
Dulski	Moss	Wydler
Eshleman	O'Hara	Young, Alaska
Fraser	Patman	Young, Ga.
Frey	Podell	Zion
Froehlich	Railsback	
Gettys	Rangel	
Gibbons		

The SPEAKER pro tempore. (Mrs. BURKE of California). On this rollcall 330 Members have recorded their presence by electronic device, a quorum.

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

TO INCREASE ON AN EMERGENCY BASIS THE AVAILABILITY OF REASONABLY PRICED MORTGAGE CREDIT FOR HOUSING

The SPEAKER pro tempore. The Chair recognizes the gentleman from Nebraska (Mr. MARTIN) for 5 minutes.

Mr. MARTIN of Nebraska. Madam Speaker, let me put into perspective what has transpired on this housing bill. There seems to be a little bit of confusion on the floor of the House concerning this matter, although perhaps not quite as much as there was in the Committee on Rules last Friday afternoon when we considered this legislation.

The bill S. 3979 was approved by the other body last Thursday afternoon. It now develops, contrary to the understanding which we had in the Committee on Rules when we had our hearing last Friday afternoon on this matter, that there was no meeting of the Banking and Currency Committee to approve this legislation. There simply was a meeting of some of the Democrat members of the committee.

We did not get a complete explanation of the legislation and in fact we had this bill, S. 3979, which was the one introduced by Senators CRANSTON, BROOKE and PACKWOOD, and it was the original bill considered in the other body on Thursday, the day before—just last Thursday. This was not the bill which we were considering and which was reported out because there were amendments adopted on the floor of the Senate which were not in this bill when it was before us on the desk, and so we were handed a sheet from the CONGRESSIONAL RECORD which showed some of the amendments that had been adopted to this bill.

That is the way we considered it in the Committee on Rules. This was a most unusual situation, to say the least.

Let me call to the attention of the Members the kind of rule we have before us.

House Resolution 1446 is the rule under which this is proposed to be brought up. This is a completely closed rule. Contrary to the bylaws of the Democratic caucus, it was reported out. It provides only for general debate of 1 hour to be controlled by the majority side of the aisle. No amendments can be offered and after the close of 1 hour we vote this bill up or down.

Let me read from the resolution:

> After general debate, which shall be confined to the bill and shall continue not to exceed one hour, the previous question shall be considered as ordered on the bill to final passage.

So we are not operating under the 5-minute rule under this resolution. We are going to remain in the House. We are not going to go in to the Committee of the Whole and there will be no opportunity for amendments at all.

Furthermore, the rules of the House are bypassed, and let me quote from rule XIII, clause 3, in regard to the Ramseyer rule:

> Whenever a committee reports a bill or a joint resolution repealing or amending any

statute or part thereof it shall include in its report or in an accompanying document—

(1) The text of the statute or part thereof which is proposed to be repealed;.

There is no committee report on this. This amends the Housing Act and the Ramseyer rule is being violated.

Then in rule XIII, clause 7, in regard to estimate of costs, the rule provides:

The report accompanying each bill or joint resolution of a public character reported by any committee shall contain—

(1) an estimate, made by such committee, of the costs which would be incurred in carrying out such bill or joint resolution in the fiscal year in which it is reported and in each of the five fiscal years following such fiscal year.

Again, we do not have any report on this legislation, so we do not have any estimate as to the cost over the next 5 years.

Mr. REUSS. Madam Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Wisconsin.

Mr. REUSS. I would agree with the gentleman from Nebraska that the housekeeping in this bill in the other body, in the House Committee on Banking and Currency, and even in the House Committee on Rules was not that model of tidiness that we would like it, however, for our sins, remember we were trying to accommodate the President's request.

I would point out that, contrary to what is said, there is no unfairness in this rule about the time as between the majority and the minority under general debate. It is quite clear that the minority will be entitled to half the time, 30 minutes.

Mr. MARTIN of Nebraska. I beg to differ with the gentleman. There is nothing in the resolution that provides the minority half that time at all.

The SPEAKER. The time of the gentleman from Nebraska has expired.

Mr. ANDERSON of Illinois. Madam Speaker, I yield the gentleman from Nebraska an additional 2 minutes.

Mr. MARTIN of Nebraska. I have talked about the procedural matters and about how this has been considered in the Committee on Banking and Currency and in the Committee on Rules.

I want to make another point in regard to the emergency situation as alleged by some of the Members on the majority side. I have been in the lumber business and in the building business and in the home building business for about 40 years. I am still engaged in the retail lumber business; so I have some knowledge of this industry.

We can pass legislation, Madam Speaker, here in Washington to stimulate building, to provide for lower interest costs, to subsidize loans for the purchasers of these houses or whatever can be included in housing legislation; but we are not going to stimulate the housing industry overnight. We are not going to stimulate it and increase housing a week from now, a month from now or 3 months from now. It is slow to get started. It is going to take at least 6 months for this bill to take effect.

Furthermore, we are approaching the winter season, and in the northern half of the country where the ground freezes, outside construction pretty well stops. This is not true of the west coast and South Atlantic coast, but in the northern half of the country, construction pretty well stops.

Therefore, we are not going to get any salutary effects from this legislation until next spring at the very earliest. We are supposed to come back here November 12. I maintain, Madam Speaker, that there is adequate time after we come back in the postelection session to consider this legislation carefully and prudently, as it should be considered.

Mr. ANDERSON of Illinois. Madam Speaker, I yield 1 minute to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Madam Speaker, I would just like to correct what the gentleman has said with respect to how long it would take for this bill to have an impact; for it to become operative.

I suggest it can become operative immediately. The Government National Mortgage Association presently is purchasing FHA and VA mortgages. The mechanisms are all there. If they extend that authority to conventionals, it means that they can move immediately into this conventional mortgage market, purchase those mortgages, permitting further extension of mortgage credit.

So, it can have an immediate impact. Insofar as construction is concerned, the gentleman is quite right in stating that in the North it will have this seasonal lag, but I suggest that is all the more reason for us to do it now, so that it can be implemented now and operative now, and provide some relief now.

Mr. MARTIN of Nebraska. Would the gentleman agree that the President, about 6 months or so ago—I do not recall the exact time—put into effect this same type program for VA and FHA mortgages, to purchase those loans? Practically nothing has been done under that program, which is the same as this except that this one provides assistance for conventionals.

Mr. BROWN of Michigan. That program was not of the same structure as this program and the reasons for its limited use are not applicable to this program.

Mr. ANDERSON of Illinois. Madam Speaker, I yield 1 minute to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Madam Speaker, I thank the gentleman for yielding to me.

Madam Speaker, I rise in support of this important emergency home purchase legislation. Our Nation's housing industry has been sorely affected and severely depressed by the Government's tight reins on credit and the resulting high rates of interest, pricing most middle-income families right out of the housing market.

The slowdown in the housing industry has had a severe impact throughout the Nation, on the economy of my congressional district in the mid-Hudson region of the State of New York.

The President, in his antideflection message to Congress last week, called for passage of this type of measure.

This bill, granting HUD 1-year authority to purchase $7.75 billion in conventional mortgages for 1- to 4-family dwellings, up to $45,000 at a reasonable interest rate, will be of significant assistance in alleviating the shortage of mortgage money and in spurring housing construction throughout the country.

In the interest of encouraging new housing, in the interest of helping our building trades and our Nation's home building, I urge my colleagues to support this sorely needed measure.

Mr. ANDERSON of Illinois. Madam Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Madam Speaker, I am going to vote for the bill, but I must agree with the previous speakers that the procedures by which the bill comes before us, the manner in which we are going to debate the bill, and indeed the ignorance which we will have of what is in the bill by the time we pass it, should all be a matter of shame and embarrassment to all of us.

It is true that this is a suggestion of the President. It is true that it passed the Senate by a unanimous vote, but it is also true that the committee of competent jurisdiction, the House Banking and Currency Committee, has not met on this bill. It has not discussed the bill. It is true also that the bill appeared before the Rules Committee in an incomplete form. The Members may or may not have been aware of what was actually in the bill.

As a matter of fact, today on the floor there will be some kind of colloquy by which some of our Members will try to explain what the Senator from Wisconsin, Senator PROXMIRE, meant when he put on the amendment which the gentleman from Texas (Mr. GONZALEZ) referred to. None of us know what that means. We will try to say in floor debate that we do know what it means, but there is not anybody here that does.

Madam Speaker, this bill will help some, but the sad fact is that we really do not know how it is going to help and who it is going to help. It includes GI and FHA mortgages. That was a good amendment. However, the requirement of only 80 percent financing means it is not going to be used for GI and FHA mortgages in my area because the downpayments on those mortgages are nowhere near 20 percent. Because of this, and because of Minnesota's usury law which limits conventional mortgages to 8 percent, my State will not get one nickels worth of help from this bill.

Because of the closed rule I am not able to even introduce an amendment so that my State could have a chance to benefit somewhat. The potential homeowners of my State want homes just as much as the homeowners in the other States. The building trades of my State are just as unemployed as the building trades are in the other States.

The reason we cannot make improvements in this bill is because it comes

under this ridiculous gag-rule procedure and under a closed rule. I am going to vote for the bill because the country needs it, but this day ought to be a great lesson to us, that the procedures and rules of the House mean something. When we abridge them, and when we abrogate them, and when we stomp on them as we have today we will invariably get less than a perfect product. It is my hope that the Committee on Banking and Currency will take this question of State usury maximums up on our return after election. I hope that it will attempt to give us a good bill we all understand instead of giving us an emergency adventure about which we can go home and speak to our constituents and tell them how wonderful we are, how we tried to do something good a couple of weeks before election, even if we did not know what we were doing.

Mr. ANDERSON of Illinois. Madam Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Madam Speaker, I thank the gentleman for yielding.

At the outset, anyone desiring to know in greater detail the provisions of this legislation, has only to read the CONGRESSIONAL RECORD for last Thursday. It is all there. It was thoroughly discussed in the Senate. And, although the Proxmire amendment has been alluded to as something strange and vague, it is not. It will be clearly explained in the debate on the bill for those having questions.

I will be happy to answer all questions at that time. I think I understand it, and I think anyone who will read the CONGRESSIONAL RECORD will understand it.

On the matter of timing, there is no question but what we could not take the time to consider this bill in the Banking and Currency Committee and adopt amendments for we would not then have had time for a conference and still get the legislation out.

Mr. BARRETT. Madam Speaker, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Madam Speaker, I just want to place this in the RECORD now. The bill before the Committee on Rules was the Senate bill as passed, which was printed in the RECORD on October 10. It has been printed there, for the benefit of anyone who has paid any attention and who has read the RECORD.

Mr. BROWN of Michigan. I thank the gentleman for his contribution. I would also suggest there is not a Member in this House who has served here for any length of time who does not know that we have to accept special procedures when we are approaching a recess if we want to acomplish something that is urgent. I do not know of anyone who does not think that the situation in the housing industry is urgent. I do not think there is anyone, any of our constituents, that do not think there ought to be some kind of assistance provided them if they are prospective homeowners seeking mortgage money.

If we could not take this action under this procedure today, it would have to wait until after the recess, and I do not know how much longer, and we would not be able to provide the kind of legislative assistance, the kind of credit assistance that almost everyone, if not everyone, who knows anything about the housing industry agrees is of the highest priority and should be passed promptly.

Mr. MARTIN of Nebraska. Madam Speaker, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Nebraska.

Mr. MARTIN of Nebraska. I thank the gentleman for yielding.

The gentleman from Pennsylvania said the bill we had in the Committee on Rules Friday afternoon was printed October 10. That is entirely correct. The bill we have here this afternoon was passed October 11 and included the amendments that were adopted by the other body on October 10. The amendments were included in the CONGRESSIONAL RECORD.

Mr. BROWN of Michigan. Madam Speaker, let me say to the gentleman from Nebraska that the bill as passed by the Senate, including all amendments, was printed in the RECORD on October 10. It was in the RECORD on that date. The explanation is before us. It has been before this House since October 10.

Mr. ANDERSON of Illinois. Madam Speaker, I yield myself 1 minute to conclude the debate in connection with this rule.

I would hope that the Members would come back to the point that I made when I addressed the House earlier that the President of the United States, when he addressed a joint session on the 8th of October, said:

> I urge the Congress to enact before recess additional legislation to make most home mortgages eligible for purchase by an agency of the Federal Government.

This legislation, which would be made in order under the rule, S. 3979, gives us that opportunity to deliver now, to adopt a different kind of rule.

To vote down the previous question, amend the rule, and go to conference would mean simply that we would lose the chance to enact this legislation prior to the recess.

I think it is important that we not take that chance of losing this legislation at the present time.

Madam Speaker, I urge the Members to vote for House Resolution 1446.

Mr. PEPPER. Madam Speaker, I yield 2 minutes to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Madam Speaker, I have been sitting here almost an hour listening to the debate pro and con, and it appears that nearly everyone is for the bill.

The only objection appears to be to the manner in which the bill is being brought up for debate. Some Members have gone to the extent of saying that we are disregarding the rules of the House.

Let me remind my colleagues that we are operating strictly within the rules of the House. The rules provide that we may, in case of emergencies such as that which we are now faced with in housing, bring up a bill in the manner that we are now bringing it up, taking it off the Speaker's table by a rule passed by the Committee on Rules, and bringing it before the full House. So I say, let us adopt the rule and go into debate on the bill itself. Let us cooperate with the President and pass the bill which he has asked for before we go into recess so that we can relieve the country of an anxiety which has developed into the proportions of a plague.

Madam Speaker, I am pleased to lend my support for S. 3979, the proposed Emergency Home Purchase Assistance Act of 1974.

The thrust of this legislation is simple: to pump some life into the flagging housing industry and, more importantly, to help to remove the impenetrable roadblock that now separates millions of average Americans from owning their own homes. This would be accomplished by providing a secondary market for $7.75 billion of conventional mortgages each year, at interest rates that do not make a grown man cry, as interest rates these days often do.

Nationally the housing industry has fallen on hard times. The latest figures show housing starts at an annual rate just over a million units—off more than 50 percent from last year, and more than 1.5 million units a year below what the Housing Act of 1968 sets as the national target of 2.6 million starts annually. This translates into 13 percent unemployment in the construction industry, a rate more than double the national average for all industries.

In my own State of Hawaii, where housing costs have always been higher than on the mainland, the recent scarcity of mortgage money has exacerbated an already intolerable situation.

I am hopeful that the funds provided in S. 3979 will provide a much-needed economic shot in the arm to Hawaii's housing industry, and aid in alleviating some of the critical shortage of moderately priced homes.

The President has asked that we act on this bill before recessing, Madam Speaker, and I fully support expeditious action on this emergency legislation.

I urge the House's overwhelming approval of S. 3979.

Mr. PEPPER. Madam Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken.

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 355, nays 13, not voting 66, as follows:

[Roll No. 616]

YEAS—355

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Ashley
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carey, N.Y.
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Dennis
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grasso
Green, Oreg.
Green, Pa.
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hanley
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, Md.
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Metcalfe
Mezvinsky
Milford
Miller
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Traxler
Treen
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zwach

NAYS—13

Armstrong
Ashbrook
Burleson, Tex.
Burlison, Mo.
Clawson, Del
du Pont
Evans, Colo.
Gonzalez
Gross
Horton
Martin, Nebr.
Runnels
Steiger, Wis.

NOT VOTING—66

Aspin
Bell
Blatnik
Boland
Bolling
Brasco
Burke, Fla.
Collins, Tex.
Conable
Conlan
Crane
Daniel, Robert W., Jr.
Davis, Wis.
Denholm
Dorn
Froehlich
Gray
Griffiths
Grover
Hammer-schmidt
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Hébert
Holifield
Huber
Johnson, Colo.
Landgrebe
Long, La.
Lott
Mayne
Melcher
Michel
Mills
Moakley
Moorhead, Calif.
Moss
Nix
O'Hara
Parris
Patman
Podell
Rarick
Roncalio, Wyo.
Rooney, N.Y.
Rousselot
Roy
Ruppe
Ruth
Sebelius
Smith, Iowa
Snyder
Steelman
Steiger, Ariz.
Taylor, Mo.
Teague
Tiernan
Udall
Veysey
Vigorito
Whitehurst
Wydler
Young, Alaska
Young, Ga.
Zion

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Boland with Mr. Dorn.
Mr. Rooney of New York with Mr. Holifield.
Mr. Teague with Mrs. Griffiths.
Mr. Vigorito with Mr. Rarick.
Mr. Patman with Mr. Mills.
Mr. O'Hara with Mr. Tiernan.
Mr. Nix with Mr. Hansen of Idaho.
Mr. Michel with Mr. Davis of Wisconsin.
Mr. Whitehurst with Mr. Collins of Texas.
Mr. Harris with Mr. Gray.
Mr. Conable with Mr. Hanna.
Mr. Zion with Mr. Blatnik.
Mr. Wydler with Mr. Rousselot.
Mr. Grover with Mr. Steiger of Arizona.
Mr. Moss with Mr. Snyder.
Mr. Aspin with Mr. Long of Louisana.
Mr. Young of Georgia with Mr. Roy.
Mr. Udall with Mr. Denholm.
Mr. Hébert with Mrs. Hansen of Washington.
Mr. Burke of Florida with Mr. Bell.
Mr. Hammerschmidt with Mr. Conlan.
Mr. Taylor of Missouri with Mr. Landgrebe.
Mr. Roncalio of Wyoming with Mr. Melcher.
Mr. Mayne with Mr. Lott.
Mr. Moakley with Mr. Smith of Iowa.
Mr. Steelman with Mr. Crane.
Mr. Huber with Mr. Moorhead of California.
Mr. Froehlich with Mr. Robert W. Daniel, Jr.
Mr. Hanrahan with Mr. Ruppe.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PEPPER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 1446 and S. 3979.

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

There was no objection.

Mr. BARRETT. Madam Speaker, pursuant to House Resolution 1446, I call up the Senate bill (S. 3979) to increase on an emergency basis the availability of reasonably priced mortgage credit for housing.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill as follows:

S. 3979

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Home Purchase Assistance Act of 1974."

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) in many parts of the Nation, residential mortgage credit is or is likely soon to become prohibitively expensive or unavailable at any price;

(2) the unavailability of mortgage credit severely restricts housing production, causes hardship for those who wish to purchase or sell new and existing housing, and delays the achievement of the national goal of a decent home for every American family; and

(3) there is an urgent need to provide an alternate source of residential mortgage credit on an emergency basis.

INTERIM AUTHORITY

SEC. 3. (a) Title III of the National Housing Act is amended by adding at the end thereof the following new section:

"INTERIM AUTHORITY TO PURCHASE CERTAIN MORTGAGES

SEC. 313. (a)(1) Whenever the Secretary finds inflationary conditions and related governmental actions are having a severely disproportionate effect on the housing industry and the resulting reduction in the volume of home construction or acquisition threatens seriously to affect the economy and to delay the orderly achievement of the national housing goals contained in title XVI of the Housing and Urban Development Act of 1968, the Secretary shall direct the Association to begin making commitments to purchase and to purchase mortgages in accordance with the provisions of this section.

"(2) The Secretary may direct the Association to terminate its activities under this section whenever he determines that the conditions which gave rise to his determination under paragraph (1) are no longer present.

"(b) Whenever the Secretary issues a directive under subsection (a)(1), the Association shall make commitments to purchase and purchase, and may service, sell (with or without recourse), or otherwise deal in, mortgages (1) which cover more than four-family residences (including cooperatives and condominiums and the individual units therein) and which are insured under the National Housing Act and chapter 37 of title 38 of the United States Code, or (2) which cover one- to four-family residences and which are insured under the National Housing Act or guaranteed under chapter 37 of title 38 of the United States Code or by qualified private insurers as determined by the Association or the outstanding principal balance of which do not exceed 80 per centum of the value of the property securing the mortgages. A mortgage may be purchased under this section only if—

"(A) such mortgage was executed to finance the acquisition of a one- to four-family residence which will be the principal residence of the mortgagor or to finance the purchase of a more than four-family residence and is subject to a mortgage insured under the National Housing Act;

"(B) such mortgage involves an original principal obligation not to exceed $42,000 per family residence or dwelling unit, and except that the original principal obligation may not exceed $55,000 in the case of properties in Alaska, Hawaii, and Guam.

"(C) such mortgage involves an interest rate or yield not in excess of that which the Secretary may prescribe, taking into account the cost of funds and administrative costs under this section, the importance of making mortgage credit available on reasonable terms, and current conditions in the mortgage market, but in no event shall such rate exceed a rate equal to the average yield during the month preceding the month in which a commitment to purchase such mortgage was issued on all marketable bonds of the United States maturing in more than six but less than twelve years from the date of such commitment (exclusive of bonds with a coupon rate of less than 6 per centum) plus one-half of 1 per centum adjusted upward to the nearest one-eighth of 1 per centum, and taking into account the need to assure that the funds are available in all States pursuant to any maximum mortgage interest rate permitted under the laws or constitutions of the various States and notwithstanding any State law or constitution to the contrary, discount points and other charges collected in connection with mortgage transactions under this section and recognized by the Association shall not be considered in determining whether the interest rate on any such mortgage exceeds any State usury ceiling.

"(c) The Association may issue to the Secretary of the Treasury its obligations in an amount outstanding at any one time sufficient to enable the Association to carry out its functions under this section. Each such obligation shall mature at such time and be redeemable at the option of the Association in such manner as may be determined by the Association, and shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the obligation of the Association. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Association issued under this section, and for such purposes the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchase of the Association's obligations hereunder.

"(d)(1) The Association is authorized to guarantee securities based on pools or trusts of the mortgages purchased by the Association under this section as provided in section 306(g) of this Act with respect to federally insured or guaranteed mortgages and to act as issuer of such guaranteed securities. The Association shall possess with respect to securities under this section all the powers it possesses with respect to securities guaranteed under such section 306(g), and the provisions of such section shall apply to guarantees under this section, except that such section shall not be deemed to prohibit the Secretary from guaranteeing payment of only a part of the principal and interest on securities issued under the provisions of this section.

"(2) The Association may offer and sell any securities guaranteed under this subsection to the Federal Financing Bank, and such Bank is authorized to purchase any securities so offered. The Association may also offer and sell any securities guaranteed under this subsection to any Federal Reserve bank. The proceeds from the sale of such securities when issued by the Association shall be treated in the accounts in the same manner as if such proceeds were from the sale of the underlying mortgages.

"(e) The Secretary may make available a portion of his authority under this section to purchase mortgages covering housing which has been constructed more than twelve months prior to enactment of this section in areas where he determines that there is a serious shortage of mortgage credit to purchase such housing.

"(f) The Association is authorized to—

"(1) sell mortgages purchased under this section of prices which it determines will help promote the objective of assuring that operations under this section are, to the extent feasible, fully self-supporting;

"(2) pay for services performed in carrying out its functions under this section without regard to any limitation on administrative expenses heretofore enacted.

"(g) The total amount of purchases and commitments authorized by the Secretary to be made pursuant to this section shall not exceed $7,750,000,000 outstanding at any one time.".

(b) The amendment made by subsection (a) becomes effective upon the date of enactment of this Act and shall remain in effect for a period of one year following such date of enactment, except that it shall remain in effect after the expiration of such period to the extent necessary (1) to honor commitments to purchase mortgages issued prior to the expiration of such period, and (2) to provide for the liquidation of assets and discharge of liabilities acquired or incurred prior to the expiration of such period.

AMENDMENTS TO OTHER LAWS

SEC. 4. (a) The National Housing Act is amended as follows:

(1) The first sentence of section 2(a) of such Act is amended by inserting before the period at the end thereof the following: "; and for the purpose of financing the preservation of historic structures, and, as used in this section, the term 'historic structures' means residential structures which are registered in the National Register of Historic Places or which are certified by the Secretary of the Interior to conform to National Register criteria; and the term 'preservation' means restoration or rehabilitation undertaken for such purposes as are approved by the Secretary in regulations issued by him, after consulting with the Secretary of the Interior".

(2) Section 2(b) of such Act is amended by adding at the end thereof the following new paragraph:

"A loan financing the preservation of a historic structure shall—

"(1) involve an amount not exceeding $15,000 per family unit; and

"(2) have a maturity not exceeding fifteen years and thirty-two days.".

(b) Section 203 of the National Housing Act is amended by adding at the end thereof the following:

"(n)(1) The Secretary is authorized to insure under this section any mortgage meeting the requirements of subsection (b) of this section, except as modified by this subsection. To be eligible, the mortgage shall involve a dwelling unit in a cooperative housing project which is covered by a blanket mortgage insured under this Act. The mortgage amount as determined under the other provisions of subsection (b) of this section shall be reduced by an amount equal to the portion of the unpaid balance of the blanket mortgage covering the project which is attributable (as of the date the mortgage is accepted for insurance) to such unit.

"(2) For the purpose of this subsection—

"(A) The term 'home mortgage' and 'mortgage' include a first lien given (in accordance with the laws of the State where the property is located and accompanied by such security and other undertakings as may be required under regulations of the Secretary) to secure a loan made to finance the purchase of stock or membership in a nonprofit cooperative ownership housing corporation the permanent occupancy of the dwelling units of which is restricted to members of such corporation, where the purchase of such stock or membership will entitle the purchaser to the permanent occupancy of one of such units.

"(B) The terms 'appraised value of the property', 'value of the property', and 'value' include the appraised value of a dwelling unit in a cooperative housing project of the type described in subparagraph (A) where the purchase of the stock or membership involved will entitle the purchaser to the permanent occupancy of that unit; and the term 'property' includes a dwelling unit in such a cooperative project.

"(C) The term 'mortgagor' includes a person or persons giving a first lien (of the type described in subparagraph (A)) to secure a loan to finance the purchase of stock or membership in a cooperative housing corporation."

(c) Section 10(b) of the Federal Home Loan Bank Act (12 U.S.C. 1430(b)), as amended, is amended by striking the dollar figure "$40,000" and inserting in lieu thereof "$55,000 (except that with respect to dwellings in Alaska, Guam, and Hawaii the foregoing limitation may, by regulation of the Board, be increased by not to exceed 50 per centum)".

(d) Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)), as amended, is amended by adding in the nineteenth paragraph thereof after the phrase "section 401(d)" the following phrase: "or section 408(a)".

(e) Section 5 of Public Law 93-387 is amended to read: "The Council shall report to the President, and through him to the Congress, on a quarterly basis and not later than thirty days after the close of each calendar quarter, concerning its activities, findings, and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.".

FEDERAL RESERVE ACT AMENDMENT

SEC. 5. Section 10(b) of the Federal Reserve Act is amended by adding the following at the end thereof:

"Notwithstanding the foregoing, any Federal Reserve bank, under rules and regulations prescribed by the Board of Governors of the Federal Reserve System, may make advances to any member bank on its time notes having such maturities as the Board may prescribe and which are secured by mortgage loans covering a one-to-four family residence. Such advances shall bear interest at a rate equal to the lowest discount rate in effect at such Federal Reserve bank on the date of such note.".

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized for 1 hour.

Mr. BARRETT. Madam Speaker, I yield myself such time as I may consume. I will be very brief in order to let Members get to the White House. They must be over there at 4 o'clock. I am going to make just one brief statement. The money provided in this bill will finance

at least 100,000 homes immediately. That is literally what this bill does.

I think everybody has had an opportunity now to speak on the rule and certainly it will not be necessary to go into general debate. I am hoping that everybody will make up his mind and put his remarks in the RECORD, as requested by the gentleman from Florida.

Madam Speaker, I urge prompt passage by the House on S. 3979, the Home Purchase Assistance Act of 1974. It is urgently needed to help revive the depressed housing industry and to put our construction workers back on the job. The Senate passed this bill last Thursday by a vote of 77 to 0. And more importantly, virtually all of the objections of the administration to the original Cranston-Brooke bill were removed during the final hours on that day. As a result, we now have a bill that the administration supports and is willing to implement promptly.

What will this bill do for housing?

First, it will make available during the coming year $7¾ billion for HUD to buy mortgages financing housing for hard-pressed middle-income families.

Second, of that amount, $3 billion—enough to finance 100,000 homes—will be made available immediately.

Third, HUD support of the mortgage market will be expanded to conventional housing, as well as to FHA and VA financed housing.

This new authority to buy conventional mortgages is sorely needed because of lagging FHA starts in many areas.

Madam Speaker, there is no time to wait for House action on this bill. We must act now, or the housing industry will have to wait until after the election to get going again. I urge prompt action on this bill. As called for by the President earlier last week. Its passage is in the interest of all of us in the Congress and those we represent.

Madam Speaker, the bill passed by the other body contains, in section 5 therein, an amendment to the Federal Reserve Act. This amendment, when enacted into law, will allow any one or all of the Federal Reserve banks under appropriate rules prescribed by the Board of Governors of the Federal Reserve System to make advances to member banks of the Federal Reserve, loans which would be secured by mortgage loans covering a 1-to-4-family residence. Such funds would have to be made available at the rate equal to the lowest discount rate in effect at that particular Federal Reserve bank. Madam Speaker, this provision of law if properly used as we intend here would have a most wholesome effect on moving additional funds into the home mortgage market. Stated very simply, it would allow a commercial bank as a member of the Federal Reserve System to take residential mortgage paper which it holds and use it as collateral at the Federal Reserve bank discount window, thereby securing additional liquid funds which could be used for investment in 1-to-4-family residences.

The Federal Reserve will no doubt argue that this could be inflationary because it would amount, in effect, to an increase in the money supply. This argument, Madam Speaker, is completely without merit for we know full well that the Federal Reserve, through its Open Market Committee, has all of the powers necessary to reduce the effect of such funds by open market operations. I trust the Federal Reserve Board would not be so naive as to make this argument to us, Madam Speaker. It seems reasonable to say the least that if the Federal Reserve can make advances to the now-defunct Franklin National Bank in the amount—as best we know it—of almost $2 billion and mop up the increase in the money supply affected by this action through its Open Market Committee operations, it could use the same techniques and, at the same time, help us meet one of our great social endeavors now, that of supplying needed funds at reasonable rates for home mortgages.

Madam Speaker, I yield now to the gentleman from New Jersey such time as he may consume.

Mr. WIDNALL. Madam Speaker, I rise to strongly support S. 3979 which has passed the Senate and was cleared by the House Rules Committee last week. I wish to commend Chairmen PATMAN and BARRETT for their leadership in getting the Banking and Currency Committee to move so expeditiously. I also wish to commend Chairman MADDEN for his quick and helpful action on this matter.

This is a matter of great urgency and is vital to homebuilders and home purchasers throughout the country. It is also important to clarify certain points for our colleagues since a large number of them were aware that the original Brooke-Cranston bill did not have administration support—nor did it have unanimous support in the Senate. However, substitute was negotiated at or about the time the President announced his support. This substitute follows closely a bill introduced by me and several other members of the Housing Subcommittee. This bill does not envision vast Federal holdings of mortgages, but rather a buying and seling of such mortgages to long-term investors. It is this process which greatly reduces the budgetary impact in a given year that distinguishes the two approaches.

What would be done under this bill is to have the Government National Mortgage Association, GNMA, commit to purchase mortgages at an interest rate lower than the current market rate. GNMA would them turn around and sell these mortgages at a discount sufficient to encourage long-term investors.

In this way, the home purchaser gets the benefit of a lower interest rate, the homebuilder has an assured source of funds, and long-term investors are provided with competitive yields.

This bill, as passed by the Senate in its final form, is acceptable to me and most Members of the minority and the administration. There were some other provisions in my bill which I would like to have seen adopted—but under the circumstances this is the best we could hope for at this time.

Granted the procedure is extraordinary, but then so is the problem—all you need to do is pick up any newspaper, ask any home purchaser, ask any homebuilder or any mortgagelender. For the House to fail to act would do a greater injustice to the American people than any possible procedural shortcuts will inflict upon the House.

I urge your vote for this bill so that we can recess proudly—going home able to point to a significant achievement as part of an overall plan to defeat stagflation.

Mr. WAGGONNER. Madam Speaker, will the gentleman yield?

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

Mr. WAGGONNER. Madam Speaker, I thank the distinguished gentleman for yielding.

I think it needs to be said that there is a great deal less in the way of assistance for the depressed housing market in this proposal that would appear to be the case. I understand that these funds will be rolled over. But, it is my understanding that the limitation for any single mortgage is $42,500. Is that correct?

Mr. BARRETT. That is correct.

Mr. WAGGONNER. The President, when he addressed the joint session the other day, told us he was going to release, if we would pass this legislation immediately, $3 billion with which Ginnie Mae may purchase these mortgages. Is that correct?

Mr. BARRETT. Yes.

Mr. WAGGONNER. So it is safe to assume then that with a limitation of not more than $42,500, as the bill provides, but an average of only $30,000 per mortgage per unit purchased, we would provide for only 100,000 units.

Mr. BARRETT. That is absolutely correct.

Mr. WAGGONNER. Then we have to realize we are doing very, very little to help. But, we must do at least this much right away. I think the President will later release more money. I think we ought to get on with this legislation.

There is one other aspect of the proposal that concerns me. I feel quite sure that it is the intention of the committee, but inasmuch as we have had a limited time to consider this, it should be mentioned, Is there reason to believe that we will have something in the way of a formula to provide for equitable distribution of this money around the country, so that we are not going to have the money concentrated in one section of the country or in one area?

Mr. BARRETT. Yes, that is what we are hoping for, that it will be distributed throughout the country in order to give everybody an opportunity to get housing credit.

Mr. WAGGONNER. The gentleman said that is what he is hoping for. Is that his intent?

Mr. BARRETT. I am hoping for it and I will urge the Secretary to do so.

Mr. WAGGONNER. I thank the gentleman.

I believe we ought to get on with this proposal as quickly as possible.

Mr. REUSS. Madam Speaker, will the gentleman yield?

Mr. BARRETT. I yield to the gentleman from Wisconsin.

Mr. REUSS. Madam Speaker, I hope that this bill will pass. It can help a little.

I do not think any of us want to oversell it. It will mean that the U.S. Treasury will create out of thin air some $3 billion. They have to do that by borrowing. That means that other borrowers get less, but that is one of the consequences of favoring one segment of the economy, which certainly needs some help.

I believe that on balance these new funds are going to benefit the mortgage market. That has not always been true in the past, where a sort of Mickey Mouse operation takes place in which the Government sells housing paper, and then people take their money out of savings and loans to buy the Government paper, and the Government gives the money back to the savings and loans.

I do not believe that that rather asinine scenario will obtain here, because the Treasury Department is going to do the borrowing, and the Treasury Department has said "No Treasury bills to someone who comes up with less than $10,000."

Now, for other reasons, I think that such a minimum limit is very unfair and discriminatory. But that is the law of Treasury borrowing at the moment, so it does mean that this bill can be meaningful.

In the long run, I think we are going to have to do something more basic. This is the third credit crunch in 3 years, and we can expect more.

I think ultimately we will have to come up to free interest rate competition among all financial institutions, accompanied by measures to secure an adequate level of support for residential mortgage lending.

I would like to ask a question or two of the bill's managers.

First, I note the question asked by the gentleman from Louisiana (Mr. WAGGONER), and I am delighted to hear the distinguished subcommittee chairman, the gentleman from Pennsylvania (Mr. BARRETT) assure us that it is the proper legislative interpretation and understanding that the $3 billion we are talking about will be administered on a regionally equitable basis, and equitably distributed around the country. I had intended to ask the gentleman that question, but, since he has already given his usual very clear and forthright answer, I will not persist.

I do have another question. Is it not true that the rather high mortgage ceiling of $42,000 under this program is designed to take care of high costs largely in the larger metropolitan areas, and is not intended to be the standard everywhere in the country? After all, a $42,000 mortgage having an 80-percent loan to value ratio, supports a home costing well over $52,000, well over the low and moderate income level that the Congress has in mind.

I would hope, therefore, that our intent would be that HUD concentrate its assistance on low-cost mortgages as much as possible.

I would ask the gentleman from Pennsylvania if that is the intent of the committee?

Mr. BARRETT. That, I am sure, is our intent. I am hopeful that the Secretary would take a very hard look at this in order to get as much out of the $3 billion as we can.

Mr. REUSS. One final question. Is my understanding correct that the national interest rate on mortgages purchased by the Government National Mortgage Association under this bill would be currently about 8¾ percent and this ceiling is acceptable to them and is comparable to the ceiling on FHA insured mortgages now being purchased by Ginnie Mae?

Mr. BARRETT. That is correct.

Mr. REUSS. I thank the gentleman and yield first to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Madam Speaker, because I consider the gentleman from Wisconsin one of our most knowledgeable colleagues, I notice on page 11 of the bill (S. 3979), it says:

FEDERAL RESERVE ACT AMENDMENT

SEC. 5. Section 10(b) of the Federal Reserve Act is amended by adding the following at the end thereof:

"Notwithstanding the foregoing, any Federal Reserve bank, under rules and regulations prescribed by the Board of Governors of the Federal Reserve System, may make advances to any member bank on its time notes having such maturities as the Board may prescribe and which are secured by mortgage loans covering a one-to-four family residence. Such advances shall bear interest at a rate equal to the lowest discount rate in effect at such Federal Reserve bank on the date of such note.".

In the judgment of the gentleman from Wisconsin, is this not a new proviso in the law?

Mr. REUSS. It is a new proviso. I do not know how much good it will do, but its effect seems to me to be in the public interest. It would nudge the Federal Reserve in its open-market policy toward a more benign attitude toward housing paper and thus accomplish some good and no harm.

Mr. GONZALEZ. Would it complicate the disintermediation practice with respect to the savings institutions? Will this complicate that? Will this hurt the policy?

Mr. REUSS. No, I do not believe so. I think the Fed can take counteracting measures.

Mr. BARRETT. Madam Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Madam Speaker, let me very briefly explain what the bill does, so that we have a clear understanding of it.

We have been talking about $3 billion here, because that is the figure the President mentioned. Actually, the bill authorizes the Secretary to have outstanding at any one time up to $7¾ billion in these purchased mortgages. It says that the Secretary may purchase mortgages that have a rate or yield not to exceed the average rate or yield of Treasury borrowings which borrowings are of at least 6 years maturity, but not greater than 12 years maturity. That is the maximum rate the Secretary may set. The Secretary can lower that rate, but that is the maximum. This is the substance of the so-called Proxmire amendment.

This program is limited to one- to four-family dwellings. I think when we come back from recess we may want to do something about this, making it applicable to multifamily dwellings and condominiums. The maximum mortgage amount is $42,000. It is expected that the Secretary will attempt to utilize the money as advantageously and as broadly as possible, so that therefore many of the mortgages purchased will be less than $42,000. With the lower mortgage figures we will be able, and hope, to get as much housing as possible out of these funds.

The cost to the Federal Government has been mentioned. Since the rate of interest on mortgages the Secretary may purchase under the program is the average of the Treasury borrowings I mentioned, plus one-half percent, the real cost at that point is only the difference between one-half percent and what it costs the Secretary to administer the program. Probably that cost will exceed one-half percent slightly, but that will be the only amount at that point in time.

In connection with the resale of mortgages, if he sells them while a higher market rate prevails, he will be required to discount them and there will be a loss. If he sells them at a time when a lower market rate prevails, there will be a profit. We cannot determine that now.

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

Mr. BROWN of Michigan. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, is the gentleman saying that this bill provides for a floating interest rate?

Mr. BROWN of Michigan. It is not a floating interest rate from the standpoint of variable rates on mortgages, no. It is a fixed rate, but the Secretary can purchase mortgages at a rate lower than what, in effect, it costs the Government to borrow that money. In other words, the average cost of borrowings of maturities of more than 6 and less than 12 years.

Mr. GROSS. What does the gentleman mean by a fixed rate? A fixed rate as of now?

Mr. BROWN of Michigan. A fixed maximum—a fixed maximum. The Secretary can go below that maximum, but not above it.

Mr. GROSS. But is it the applicable rate as of, let us say, next month or 6 months from now?

Mr. BROWN of Michigan. A very good question; a very good question. The rate that will be the maximum will be the average rate applicable to this group of borrowings by the Treasury of 6 to 12 years, as of the end of the month prior to the time the commitment is made by the Secretary to purchase. So, it will vary as it is varying now. I understand it is much easier to administer the program if the rate is determined as of the 20th of the month, that is the average rate is fixed as of the 20th rather than the end of the month. It is agreed that this alternate time is permissible under the bill, and that is what we would expect them to do.

Mr. GROSS. Does the gentleman agree with the gentleman from Wisconsin (Mr. REUSS) that the interest rate would be 8¾ percent?

Mr. BROWN of Michigan. I say to the gentleman that since borrowings within this 6- to 12-year period will vary as some drop out and others come into the group, the average rate is bound to vary, but the point is the maximum, I think, will never exceed certainly around 8¾ or 9 percent.

Mr. GROSS. I do not believe anybody here today knows what the interest rate is going to be, and that is said with all due respect to the gentleman from Michigan.

Mr. BROWN of Michigan. If the gentleman would care to listen again, I would say that I do not know the exact rate, but the rate I can predict with some accuracy, is somewhere between 8½ and 8⅞ percent.

Madam Speaker, I have a series of questions I would like to pose to the chairman of the subcommittee for the purposes of establishing legislative history and legislative intent.

Madam Speaker, I would like to ask the gentleman from Pennsylvania about the formula which provides that the interest rate on the mortgages shall not exceed—

> A rate equal to the average yield during the month preceding the month in which a commitment to purchase such mortgage was issued on all marketable bonds of the United States maturing in more than six but less than twelve years from the date of such commitment (exclusive of bonds with a coupon rate of less than 6%) plus ½ of 1%, adjusted upward to the nearest ⅛ of 1%.

First, I have been advised by the Treasury Department that at the present time there are four issues of Government obligations privately held which would mature more than 6 years and less than 12 years. Are these the issues that will comprise the average?

Mr. BARRETT. Yes; the average will be composed of those four issues.

Mr. BROWN of Michigan. I understand that an additional issue will fall within the 6 to 12 year range in November. Is that correct?

Mr. BARRETT. That is correct.

Mr. BROWN of Michigan. Another question: Does the provision permit the Treasury Department to weigh the average yield by the amount of obligations outstanding?

Mr. BARRETT. Yes; the provision would permit such weighting.

Mr. BROWN of Michigan. One final question. I can see an administrative problem arising from the need to set a rate on the first of the month for mortgagees around the Nation based on market rates for the preceeding month. I am afraid that there will be difficulty in making the computations and notifying mortgagees so that commitments can be written on the first day of the month. I understand that it is now customary in similar situations for the Treasury Department to use monthly figures ending on the 20th day of the month. Is this procedure permissible under the amendment?

Mr. BARRETT. The procedure would be permissible and I should think desirable in order to speed the implementation of the program.

Mr. BROWN of Michigan. Would the rate set on the first of the month be applied to all commitments made during that month?

Mr. BARRETT. Yes.

Mr. BROWN of Michigan. May I ask the gentleman a question concerning the authorization in the bill. I note that the total amount of commitments and purchases that may be outstanding at any one time is $7.75 billion—or nearly $8 billion. Does the bill require that, once the program is initiated by the Secretary, this total amount must be used?

Mr. BARRETT. I am pleased that the gentleman asked this question. The bill does not mandate purchase of mortgages in the full amount authorized. It directs that where the Secretary of HUD makes certain findings, then he shall, through GNMA, initiate a mortgage purchase program. But the scale of that program, and the rate at which the authority is to be used, are necessarily matters of judgment. The President, for example, in recommending a program along these lines, indicated that the initial program level should be about $3 billion. But this is not written into the law, and the actual starting level might be greater or less than $3 billion. It would all depend on mortgage market conditions, and overall economic considerations. Also, the gentleman should note that the bill specifically provides that the Secretary may terminate the program completely, in advance of the 1-year time period otherwise authorized, whenever he determines that the conditions recognized in his original findings initating the program no longer exist.

I thank the gentleman for his clarifying comments.

Mr. BARRETT. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I rise in strong support of S. 3979, to provide an immediate $3 billion for the depressed housing industry. We need this bill now and we need it desperately. Unemployment in the home construction industry is more than 2½ times the high rate of unemployment in the other sectors of the economy. It will not only put these workers back on the job but it will also provide relatively low cost loans to moderate and little-income families seeking housing.

This bill is a response to the constructive proposal made by Democratic members of the President's Summit Conference.

First of all, this bill could immediately provide $7,750 million in new mortgage lending funds. Certainly the housing industry and those seeking to secure purchase of a home have borne the brunt of the administration's economic stagnation policy. We owe them at least this modest proposal.

Yet, the President has threatened to veto this legislation because the interest rate called for on these home loans would be in the nature of 8.25 to 8.5 percent, rather than 9.5 percent as recommended by the administration.

I would hope that the President would set partisan politics aside. Surely, if the President and the Republican Party are sincere in trying to help the depression-ridden homebuilding industry and help those who cannot secure home mortgage funds, he will sign this bill into law immediately.

We must set aside partisan prejudices in this instance. I cannot believe that because the Democrats sponsored this idea, the President would reject it, nor can I believe that the President would refuse to sign this legislation because the interest rate is less than his proposal. Even at the 8.5-percent rate provided for in the bill, the Federal Government would probably make money on the deal. There is no question that the rate recommended by the administration for a minimum of 9.5 percent would become a big moneymaker for the Government; and I find it unconscionable for the Federal Government to be proposing a program to aid the unemployed, the construction workers, the homebuilding industry and the potential home mortgage borrowers and in that process be making big profits on the deal.

Mr. WIDNALL. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER of Massachusetts. Mr. Speaker, I rise in strong support of S. 3979, the Emergency Home Purchase Act of 1974. This Senate-passed bill is identical in all significant respects to H.R. 17050, which I introduced with several of my colleagues on the Subcommittee on Housing 2 weeks ago.

The House has shown its perception of the national crisis in housing by granting this bill an extraordinary closed rule, so that we can send final legislation to the President this very afternoon.

The legislation addresses the fundamental problem in housing today—the severe shortage of mortgage funds, at any rate of interest, let alone rates which prospective home purchasers can afford. This shortage has had derivative effects on the home building industry and the employment of construction workers, and the real estate business. Unemployment in the construction trades is currently 12 percent nationally. There is more than a 9-month inventory of unsold new homes, and mortgage rates on both new and existing housing are approaching 10 percent.

These are the dimensions of the crisis we face. It was clear to those of us who wrote this legislation that the Federal Government would have to assist in making more funds available to mortgage lenders as a stimulus to home buying.

This bill is the result. In it, we authorize the Government National Mortgage Association to purchase up to $7.75 billion in conventional mortgages in the secondary market. The authority is clearly drafted to allow the Secretary of Housing and Urban Development to purchase mortgages on existing housing as well as new housing. I have been assured by top officials of HUD that purchases of mortgages on existing housing will be authorized upon submission of evidence from the real estate industry that such action is warranted in certain localities.

The President has indicated that he

will make available $3 billion of this authority immediately.

Mr. Speaker, we have put together an emergency program which can go into effect immediately, and which will have a very quick impact on mortgage lenders. They will have an expanded market for selling mortgages, and will be paid cash by GNMA, which can be plowed back into their lending program to originate new mortgage loans. It is a practical response to the current situation, and it goes directly to the heart of the problem—the availability of mortgage funds.

I urge my colleagues to approve this measure.

Mr. WIDNALL. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. WINN).

Mr. WINN. Mr. Speaker, I support S. 3979, the Emergency Home Purchase Assistance Act of 1974. The Senate has aproved this bill to increase on an emergency basis the availability of reasonably priced mortgage credit for housing, and the President stated last week that as soon as the legislation is passed, he will make $3 billion available to finance about 100,000 new homes. Passage of this legislation is one more step toward alleviating the problems being encountered by the home building industry.

S. 3979 grants the Secretary of Housing and Urban Development authority for 1 year to direct the Government National Mortgage Association to purchase up to $7.75 billion in conventionally-financed mortgages. The Secretary can exercise this authority whenever inflation and related governmental actions are having a severely disproportionate effect on the housing industry and the economy.

The bill provides that GNMA can make arrangements to purchase federally-insured mortgages for multi-family units, including condominiums and cooperatives. It also allows for purchase of conventional mortgages for one-to-four family residents which are federally or privately insured or which cover no more than 80 percent of the value of the property securing the mortgages. Houses must be the principal residence of the applicant. Mortgage assistance cannot be extended to family residences or dwelling units which are valued at more than $42,000 in most cases. In Hawaii, Alaska, and Guam the ceiling is placed at $55,000.

Further provisions allow the Secretary of Housing and Urban Development to determine the interest rate but he must consider the administrative cost, the need for credit on reasonable terms, and the state of the mortgage market. Interest rates cannot exceed the Treasury borrowing rate by more than one-half of 1 percent, and an interest must be computed monthly and based on the previous month's average of medium-term—6 to 12 years—Treasury bonds. One-half of 1 percent will then be added to compensate for administrative costs.

Mr. Speaker, there is an urgent need to provide an alternate source of residential mortgage credit on an emergency basis, and this bill hopefully will provide us with such a source.

Mr. WIDNALL. Mr. Speaker, I yield such time as he may consume to the gentleman from Montana (Mr. SHOUP).

Mr. SHOUP. Mr. Speaker, a vote today to provide mortgage money for home construction can prevent my State of Montana and many of our sister States in the great Northwest from becoming disaster areas.

I will vote for the $7.75 billion funding legislation as we received it from the U.S. Senate. I think $10 billion would be more adequate, in fact I have legislation before the House setting the figure at $10 billion—however I am as anxious as my colleagues to get going, even if it is just a first step.

Mr. Speaker, 51 percent of the income of the good people of western Montana is derived from logging, mill, lumbering, paper, and related industries.

Montana supplies 4 percent of the Nation's softwood. In Missoula, the heart of my district, 100 billion board feet can be produced annually.

Sawmills, logging, millwork, papermills provide the livelihood for more than 9,000 western Montanans. However, Mr. Speaker, the job boom in the 1960's which brought more than 3,000 new workers to the area, is dying on the vine.

In 1973 Congress set a goal of 2.2 million new homes annually. It was national policy.

This year we will be lucky to produce 1.1 million, and luckier still to sell them to house our citizens.

Even with $7.75 billion in mortgage guarantee money, we will not fulfill our national policy goal.

President Ford asked for $3 billion for housing. I immediately labeled it inadequate. It would have supplied mortgage money for only 100,000 new home starts; it would have built no more than 28 new homes in the major city in my district, Missoula, with a population of 61,000.

The mortgage money we vote here today in the wake of Senate action will build less than 350,000 new homes, or finance the sales of existing ones.

My target for this year is at least 500,000. It still is, and I still seek the $10 billion I think we need to get housing rolling again.

The construction of 500,000 new homes, Mr. Speaker, will do much for our economy. At least 500,000 new refrigerators, television sets, kitchen ranges, dishwashers, storm doors, windows, insulation. Lead, copper, steel, plastic pipes, flooring and finshing plaster, paint, nails, mortar, bricks, and concrete will flow into the marketplace in the millions of tons.

Money in the marketplace, Mr. Speaker, generates more money.

With more houses sold, more money flows into more construction, and once again the cycle of progress begins to turn.

Our legislative process, Mr. Speaker, is demonstrating today that it can function speedily when the demand from our people reaches a crescendo.

It has reached it today. There is no need for further discussion, simply action. Housing is the most basic of our basic industries. It sucks into its proliferation across our land bits, pieces, fragments, and a massive flow of goods, services, and jobs.

It strikes me, Mr. Speaker, that since this is what America is all about the foot-dragging in some places can no longer be tolerated.

We are making that signal plain by our action here today, Mr. Speaker, and I commend the leadership of this House for its understanding of that fact.

Mr. WIDNALL. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. PETTIS).

Mr. PETTIS. Mr. Speaker, today we are considering a bill, the Emergency Home Purchase Assistance Act, S. 3979, which is an important addition to our efforts to rescue the Nation's housing industry. By passing the Housing and Community Development Act a short time ago, this Congress took a start in making it possible for the citizens of the Nation to obtain badly needed housing. I am glad that S. 3979 has been so quickly acted upon by the other body and is before us today. I gladly support it and urge its passage.

The decline in the past 2 years in housing starts are due to the increase in cost of mortgage credit. Interest rates have rocketed from 6 percent in mid-1973 to present highs of about 12 percent, thus large numbers, literally thousands, of middle-income families have been driven out of the housing market. The situation has been compounded by a significant number of investors shifting their funds from relatively low-yield savings and loan deposits to more lucrative investments, thus adding to the decline in the supply of mortgage credit.

This emergency assistance is needed to give this basic industry a much-needed shot in the arm. Housing is in serious shape throughout the country. The poor, and middle-income families of this country deserve a chance to purchase a home. This would give them a chance. My own district is terribly aware of the crisis in the homebuilding industry.

If Congress had not remained in session, I would today be chairing two meetings in my district at which representatives of HUD, FmHA, and the VA present their agencies' housing programs, with special emphasis on the new Housing and Community Development Act. Since I am here instead, I welcome the opportunity to voice my strong support for extending the assistance available for home purchasing even further. We cannot afford not to support S. 3979. This country needs it; my district needs it, and we must recognize these facts, and take this positive action toward a solution.

Mr. WIDNALL. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. HUDNUT).

Mr. HUDNUT. Mr. Speaker, I rise in support of S. 3979, the home mortgage assistance bill.

We are violating no rule of the House with our procedure today.

The President has asked for our cooperation in expediting passage of this needed legislation to relieve the housing industry and make it easier for the American people to build and purchase homes. We all know that the housing industry is feeling very acutely the crunch of inflation. Passage of this emergency

bill will assure our country of easier credit, more mortgage money, more construction, more jobs, and more productivity.

Consequently, I urge my colleagues to support the bill. This urgently needed legislation would authorize the Government National Mortgage Association to make available up to $7.75 billion in conventional home mortgages over the next year at about 8½ percent. Let us make it possible—now.

Mr. MITCHELL of Maryland. Mr. Speaker, this act proclaims it will increase on an emergency basis the availability of reasonably priced mortgage credit for housing. When one examines the act we can note that it provides for on page 4, "(B) such mortgage involves an original principal obligation not to exceed $42,000 per family residence or dwelling unit, and except that the original principal obligation may not exceed $55,000 in the case of properties in Alaska, Hawaii, and Guam." Now my colleagues, does $42,000 represent reasonably priced mortgage credit? Does $55,000 represent reasonably priced mortgage credit? The answer is no. Therefore, this act is obviously designed to give assistance to upper income families to the detriment of low and moderate income families.

Consider another aspect of the act. It is clearly designed to support the housing construction industry and places significant emphasis, at least inferentially, on new housing starts. All we need to do is examine our cities for the past 10 or 15 years to learn that the home construction industry has not provided any new housing starts for single residences and smaller four unit residences in urban centers during that time span. In light of that history and in light of the fact that the first $3 billion expended will only provide for, at best, approximately 100,000 units, this act will have no impact at all on our urban areas.

Despite the soothing words of comfort made by members of the Housing Subcommittee, I submit to you that there is nothing in S. 3979, I repeat nothing, that will guarantee protection for the prospective home purchaser who seeks to acquire properties in cities in the $12,000 to $15,000 unit range.

I shall vote for the act, recognizing that it represents a subsidy allowance for higher income families, but also recognizing the hope that immediately after our recess the Housing Subcommittee of the Banking and Currency Committee will give its prompt attention to the dire housing need of those who make up low and moderate income families.

Mr. Speaker, I yield back the balance of my time.

Mr. BARRETT. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Speaker, I understand the desires of the House. I will be very brief. I did want to say to my friend, the gentleman from Maryland (Mr. MITCHELL), that first of all I understand some of the reservations he has about the bill, because I share them.

Let us face the fact that what we are doing here is coming up with a housing subsidy program for the more affluent in our society. I happen to be one who says that while it may be justifiable to call upon the average taxpayer to subsidize housing for low-income families, I was not aware that the day had arrived when we are going to do it for upper-income families.

Make no mistake about it, this legislation before us covers mortgages up to $42,000. That is the kind of mortgage on which you might put down $10,000 on a home selling for $50,000. But there is a guaranteed subsidy in the interest rate. What the bill provides, in effect, is that, the interest rate will range between 8⅜ and 8⅞. However, what is the going price of mortgage money today? It is 9½ percent to 10 percent.

Now, who are the families who are going to be getting this subsidized mortgage? The families who will be getting this subsidy are those families who can afford to participate in the conventional mortgage market. That is only about one out of every five families in the United States today—the top 20 percent.

Therefore, if some Members have some problems with this legislation, let me say I do too. I will say the only reason I am going to vote for this is because in the last 2 years we have gone from 2.6 million housing starts per year down to something in the neighborhood of 1.3 million and probably less than that for this year.

The housing industry is not in a recession. It is in a depression. There is no question about that.

Thus, we have before us a bill that is calculated to bail out an industry—and this is distressing—by helping people who probably should not get help. This raises some questions.

This Proxmire amendment that we hear so much about is a real Robin Hood amendment, except that it works just in reverse. It takes money from the $10,000, $11,000, or $12,000 families which cannot afford to participate in the private housing market and says, "We will take your tax dollars and support mortgages for those families which earn $20,000, $21,000 or $25,000 a year."

That is how bad a bill this is.

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

Mr. ASHLEY. I will be glad to yield to the gentleman from Iowa.

Mr. GROSS. There are two bills floating around here bearing the number S. 3979. The one I have in my hand is dated October 11. If I read it correctly, it provides for an amount not to exceed $7,750 million. Is this the bill we are dealing with?

Mr. ASHLEY. That is the bill that we are dealing with, a mere $7.75 billion for the families I have just described.

Mr. STEELE. Mr. Speaker, I rise in support of S. 3979, the Emergency Home Purchase Assistance Act of 1974.

The bill which is before us today is an amended version of the bills which Senators BROOKE and CRANSTON were the first to introduce in the Senate, and which I was the first to introduce in the House. I am pleased to announce that I now have 60 cosponsors to my bill—H.R. 16767. Support for the bill cuts across party demarcations and political philosophies.

The original bill has been amended by the Senate Banking and Currency Committee, by a compromise reached by Senators CRANSTON and BROOKE and the administration, and by action on the floor of the Senate last week. But throughout the amending process, the basic nature of the bill has been preserved—a Government agency—Government National Mortgage Association—will purchase conventional, FHA-insured, and VA-guaranteed mortgages at below market rates in sufficient amounts to bolster the sagging housing market.

The bill is a response to the depression-like state to which the housing industry and related industries have sunk. The dismal statistics are well known—a 45-percent decline in housing starts, a 49-percent decline in issuances of building permits, 13-percent unemployment in the construction industry, large layoffs and plant closings of appliance makers, lumber and plywood producers and dealers, and others.

We also must not forget the plight of millions of American families of moderate and middle income who desperately need decent housing but are now unable to find it. I remind this body that the national housing goal is "the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family." The Congress determined in 1968 that this goal "can be substantially achieved within the next decade by the construction or rehabilitation of 26 million housing units." That means 2.6 million housing starts a year. But we all know that the present level of housing starts is only at 1.1 million.

This bill, as amended, will alleviate the credit crunch the housing market has experienced since the Federal Reserve Board adopted its tight money policy. We all know what credit means to the housing industry. The home builder is dependent upon credit for land on which to build, for construction of new housing, and for rehabilitation of existing housing. The home buyer or seller is dependent upon credit to purchase or sell a home. When credit is prohibitively expensive, or when it is unavailable, the industry just dries up—and that is exactly what is happening.

Congress has an obligation to the home builders, realtors, and home buyers of America to prevent this from happening. The bill will go a long way to put housing on the road to recovery. This legislation authorizes the Government National Mortgage Association to purchase conventional, FHA-insured, or VA-guaranteed mortgages which cover one to four family residences, and to purchase FHA-insured or VA-guaranteed mortgages which cover more than four family residences, including cooperatives and condominiums. The GNMA authority to purchase conventional mortgages was in the original bill which I introduced, and is essential for States like Connecticut, which traditionally have not actively taken part in the FHA-insured programs. This is illustrated by the fact that last month, while GNMA purchased 5,826

single-family mortgages for $182,353,000, not one mortgage was purchased from Connecticut financial institutions. I strongly urge Secretary Lynn to insure that those areas of the country, like Connecticut, which are not accustomed to selling mortgages to GNMA, will receive a fair share of the mortgage credit supplied under this bill.

Under the amended bill, the Secretary sets the mortgage interest rate, but must consider administrative costs, the need for credit on reasonable terms, and the state of the mortgage market. However, under no circumstances may the Secretary prescribe an interest rate exceeding the average yield for 6- to 12-year Treasury bonds, plus one-half of 1 percent for administrative costs. At the present Treasury bond yield, a mortgage could be offered at between 8 and 8¼ percent. This compares with the present market rate of 10 percent or higher, when mortgage money is available at all.

This bill as amended also permits GNMA to purchase mortgages which involve an original principal obligation up to $42,000 per family residence. This will be very helpful in States like Connecticut, where there are many high cost areas.

The bill grants the Secretary 1-year authority to direct GNMA to have outstanding at any time $7.75 billion in mortgages purchased under its authority. While I would have preferred permanent authority granted to the Secretary to make additional funds available to the housing market in times when the housing industry suffers a disproportionate effect from inflationary conditions and related governmental actions, I believe that the urgency of the housing problem demands that we vote for the amended bill as is, and pass it along to President Ford for signing.

President Ford supported the bill as Senators BROOKE and CRANSTON and I introduced it. I feel confident that he will sign this amended legislation. I urge that this body quickly pass this vitally needed legislation.

Mr. BADILLO. Mr. Speaker, while I shall support S. 3979, the Emergency Home Purchase Assistance Act of 1974, the benefits of this measure for large urban centers like New York will be minuscule. The bill makes no realistic provisions for the needs of individuals, like my constituents, who live in high land utilization areas and whose housing needs must be met primarily through multifamily housing. While nominally FHA-insured multifamily units are eligible, authority for this program is limited to 1 year. It takes a minimum of 2 years to plan, package, and construct multiunit structures. Since emphasis is to be placed on new construction, condominiums, and co-ops will not be really able to compete for the money. The new construction emphasis serves to assure their elimination.

Nor, in the long run, will this legislation substantially benefit the low-and middle-income taxpayer. Installment payments on mortgages with 8.25-percent interest rates are still so high that the majority of those in desperate need of housing will not qualify. The average cost of housing has risen from $28,300 in 1968 to $38,250 in 1974. Homes which sold for $25,000 6 years ago are selling for $33,790 today. As a result, more than 60 percent of this Nation's families cannot now purchase homes.

The effects of the tight money policy of the Federal Reserve have almost crippled the home building industry while failing to deter big, short-term borrowers who more often than not can afford to pass on the increased cost of money to their customers. As a result, rather than acting as a break on inflation the present approach of "economic restraint" has pushed interest rates to an unprecedented height. Housing production is falling toward the 1 million level, more than 50 percent below the 2.6 million annual average determined by Congress as necessary to meet the Nation's housing needs.

Nor were meaningful relief proposals submitted to us in the economic message of the President. I am distressed to see that rather than aiding the average taxpayers, Mr. Ford proposes to have them bear the full cost of his anti-inflation program.

Time is short and this bill must receive action today. Because of the closed rule, it is not possible to offer improving amendments. However, I hope that, since the measure so noticeably failed to extend relief to people residing in large urban centers, the House Banking and Currency Committee, when it returns after elections, will address itself without delay to the task of bringing them much-needed relief.

Mr. BOLAND. Mr. Speaker, S. 3979, the Brooke-Cranston Emergency Home Purchase Assistance Act of 1974 presents an excellent opportunity for this body to afford some much needed aid to our hard pressed housing industry. Furthermore, S. 3979 will provide that assistance in the form of short term relief that can begin to have an effect almost immediately upon the mortgage credit industry.

For 1 year, the Government National Mortgage Association will have the authority to purchase mortgages covering both existing and new mortgages up to an amount not to exceed $7.75 billion. The basic philosophy of this bill, which has the support of the President, is to free money which is presently tied up in existing mortgages so as to pump new funds into yet more mortgages. This relief has become imperative in view of the fact that new housing starts have diminished to 1.1 million in September of this year, a dip of 300,000 from the August figures.

I had hoped to see a figure higher than $7.75 billion in purchase authorization from GNMA. The original proposal before the Senate would have provided $10 billion in purchase authorization. However, the reduction to $7.75 billion has been offset because S. 3979 covers mortgages which are not VHA or FHA insured. The buyers of the latter type of housing will not be affected in their efforts to secure these mortgages because the new program will be separate from the VHA or FHA program.

S. 3979 will not, however, produce an inflationary influence on the economy because these funds will be repayed, with interest, by the mortgagors whose mortgages have been purchased. It is even possible that the Government may earn a profit on this large scale venture into the private mortgage markets. Furthermore, the Secretary of the Department of Housing and Urban Development will have great flexibility in administering this program to sell mortgages at a loss or to purchase existing housing in areas where this action will free money for prospective buyers who could otherwise not afford to purchase homes.

These provisions of S. 3979 have an all important objective—rejuvenating and restoring mortgage credit at a time when only extremely high priced mortgages, if any, have been available to the prospective home buyer. This credit infusion will also help our depressed construction industry—in adding to new housing starts and in providing for rehabilitation of existing housing. This is what the President has asked us to do and with such goals I am in complete agreement. Our housing and mortgage markets must be returned to their former robust health.

Mr. KOCH. Mr. Speaker, I rise with some reluctance in support of this bill. Unfortunately, under the extraordinary procedures we have adopted, there is no opportunity to correct what I consider will be a grave inequity to large cities, such as New York, in the distribution of assistance.

In many large urban areas there is little single-family construction. In New York, the only construction feasible is in multifamily units and while the bill makes some gesture toward multifamily construction—this gesture is grossly inadequate. The bill only assists FHA-insured multifamily construction. Such construction is unworkable in New York—especially under the per unit cost limitations provided in this bill. With only conventional multifamily construction possible in New York and other large urban centers, we have effectively excluded these centers from assistance in this bill. While I am precluded from trying to correct this inequity under the current rule, I wish to voice my protest and express my intent to correct this inequity at the earliest possible time.

Mr. Speaker, I do have good news, however. A provision which I added to the Omnibus Housing and Community Development Act of 1974 which extended Federal Housing Administration mortgage guarantees to co-op apartment buyers on resale, and which was inadvertently dropped by the committee staff when the bill was signed into law, has been added to this bill. This section in particular will help New York City.

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

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

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

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BARRETT. 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.

TO EXTEND AUTHORITY OF EXPORT-IMPORT BANK OF THE UNITED STATES

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate Joint Resolution (S.J. Res. 251) to extend the authority of the Export-Import Bank of the United States.

The Clerk read the title of the Senate Joint Resolution.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, may I assume that the gentleman is going to explain this Senate Joint Resolution, what is here proposed?

Mr. ASHLEY. Yes, indeed.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate Joint Resolution as follows:

S.J. RES. 251

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Export-Import Bank Act of 1945 is amended by striking out "October 15, 1974" and inserting in lieu thereof "November 30, 1974": *Provided, however,* That the Bank shall not authorize any financial assistance to the Union of Soviet Socialist Republics during the life of this resolution.

Mr. ASHLEY. Mr. Speaker, conference action on legislation to amend and extend the Export-Import Bank Act has been completed. However, the Senate did not take up the conference report last Thursday, as had been anticipated. The other body instead adopted a joint resolution extending the life of the Bank for 45 days.

Mr. Speaker, the joint resolution provides that the Bank shall not authorize any credits to the Soviet Union during the life of this resolution. It is my understanding that the conference report will be the first order of business in the other body upon return from the recess. In the meantime, this resolution is needed in order to enable the Bank to carry on its everyday business.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 355, MOTOR VEHICLE AND SCHOOLBUS SAFETY AMENDMENTS OF 1974

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the Senate bill (S. 355) to amend the National Traffic and Motor Vehicle Safety Act of 1966 to promote traffic safety by providing that defects and failures to comply with motor vehicle safety standards shall be remedied without charge to the owner, 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 West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 8, 1974.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

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

There was no objection.

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

Mr. Speaker, the conference report on the Motor Vehicle and Schoolbus Safety Amendments of 1974, S. 355, is a good report. It reflects the give and take that one expects in a conference between two bodies.

As I think everyone knows, Mr. Speaker, this legislation was considered in comprehensive hearings in the House which included oversight of the activities of the National Highway Traffic Safety Administration in administering the National Traffic and Motor Vehicle Safety Act of 1966. The improvements in the House bill during markup sessions led to the inclusion of the schoolbus safety provisions and the motor vehicle inspection demonstration project. These improvements in the House bill are preserved in the conference report. Also preserved is the basic revision to existing law requiring that defects related to motor vehicle safety and failures to comply with applicable safety standards be remedied without charge to the owner.

The conferees considered most carefully the provision on occupant restraint systems contained in the House-passed bill. The Senate bill contained no provision on this subject. I believe we have reached a compromise which meets the basic objectives of both bodies.

The conference report would require, as did the House-passed bill, the elimination of the safety belt interlock system and any continuous buzzer from the agency standard within a maximum of 120 days after enactment. Safety belt systems and other occupant restraint systems currently permitted as options by Federal motor vehicle safety standard 208 could continue to be installed in motor vehicles.

To establish an occupant restraint system other than a safety belt system, the Secretary would first hold a public hearing on the proposed standard.

Congress then would have 60 days in which to disapprove the final standard by concurrent resolution. Due to the great public interest in this provision, a more technical explanation is contained later in this statement.

Mr. Speaker, the Motor Vehicle and Schoolbus Safety Amendments of 1974 (S. 355) is legislation of widespread interest. Therefore, I would like to briefly outline the major provisions of what I trust will soon become law.

TITLE I—MOTOR VEHICLE SAFETY

Section 101 of the legislation would authorize a 2-year appropriation of sums not to exceed $55 million for the fiscal year ending 30, 1975 and $60 million for the fiscal year ending June 30, 1976 for purpose of carrying out the 1966 act.

DISCOVERY, NOTIFICATION, AND REMEDY OF MOTOR VEHICLE DEFECTS

In general, part B of this legislation is based on section 113 of existing law and incorporates the agency hearing and notification procedures of that section while adding the requirement to remedy defects related to motor vehicle safety and failures to comply with applicable safety standards without charge. These provisions preserve the provisions and procedures contained in the House-passed bill with minor modifications.

Section 102 of the legislation would require notification to owners and purchasers of motor vehicles and motor vehicle equipment with safety-related defects or failures to comply with applicable safety standards, as in existing law. The low important change in this legislation is the requirement that the manufacturer of the motor vehicle or equipment remedy the defect or failure to comply without charge.

The informal agency proceeding for determining the existence of a defect or failure to comply which is part of existing law would be retained. If the Secretary determined that such defect or failure to comply exists, he would order the manufacturer to notify owners and to remedy without charge. Civil actions respecting the Secretary's order would be brought in a United States district court.

Concerning such civil actions, section 155(c)(1) would recognize that prompt notification to owners and purchasers in accordance with section 153 is mandatory and that a failure or refusal to so notify would trigger the civil penalty and injunctive provisions of the act. If a manufacturer should fail or refuse to so notify and also seek to have the appropriate U.S. district court restrain the enforcement of the Secretary's order under section 152(b), the conferees agreed upon a standard to be applied by a district court in deciding whether or not to restrain such enforcement. This standard is not intended by the conferees to be applied by a district court except when considering whether to restrain an enforcement action already commenced by the Secretary under section 110(a) or under section 109 of the act. For purposes of section 155 of this legislation, "enforcement" means the assessment of civil penalties for failure to comply with the Secretary's order or an injunction ordering compliance.

Furthermore, with respect to the standard for restraining the enforcement of the Secretary's order, the court's consideration of whether the manufacturer's failure to furnish notification was reasonable would include consideration of whether the public interest would be adversely affected by such failure to notify. The court would also consider, of course, whether or not the manufacturer has

demonstrated that he is likely to prevail on the merits.

An exemption from the requirement to remedy without charge would be provided for motor vehicles and equipment purchased more than 8 years—3 years in the case of a tire—before notification. Exemption from notification or remedy would also be provided for defects or failures to comply which the Secretary deemed inconsequential as they related to motor vehicle safety.

Regarding the definitions in section 102 of this legislation, the conferees clarified these terms while preserving the policy contained in the House-passed bill. Motor vehicle equipment would be considered original equipment unless the Secretary provides that it be considered replacement equipment by regulation. Regarding tires, the Secretary could, if appropriate, treat original equipment tires as replacement equipment tires by regulation taking into consideration the relationship between the motor vehicle and tire manufacturers and the facilitation of notice to owners and purchasers.

The conferees also intend that agency regulations permitting exceptions to the definitions contained in section 159(2) of this legislation reflect the following considerations.

The position of the conferees is that the motor vehicle manufacturer would be responsible for notification and remedy of a defect or failure to comply if he manufactured, assembled, authorized, or supplied the equipment or if it was installed in keeping with the manufacturer's instructions or authorization. Should these criteria not be met, the conferees intend the Secretary to provide by regulation that equipment not meeting these criteria be deemed replacement equipment and the responsibility for notification and remedy of a defect or failure to comply fall on the replacement equipment manufacturer.

The conferees intend that notification concerning a defect or failure to comply in any motor vehicle equipment installed in or on a motor vehicle after its delivery to the first purchaser for purposes other than resale shall be the responsibility of the equipment manufacturer. The notification provisions in section 153(c)(1), (2), and (3) of the conference substitute reflect the position of the conferees on this matter.

ENFORCEMENT

Section 103 of this legislation adopts the provisions of the House-passed bill.

Prohibited acts would include rendering inoperative any safety device by a manufacturer, distributor, dealer, or motor vehicle repair business—except for safety belt interlock or any continuous buzzer.

The maximum civil penalty would be increased from $400,000 to $800,000.

INSPECTION AND RECORDKEEPING

Section 104 of this legislation retains the provisions of the House-passed bill.

COST INFORMATION

Section 105 of this legislation adopts the provisions of the House-passed bill while providing that the availability of cost information to the public would not include information containing a trade secret or other confidential matter.

AGENCY RESPONSIBILITY

Section 106 of this legislation retains the provisions of the House-passed bill.

NATIONAL MOTOR VEHICLE SAFETY ADVISORY COUNCIL

Section 107 of this legislation adopts the provisions of the House-passed bill; however, under the Federal Advisory Committee Act, any advisory council whose life is not specifically extended will lapse. The conferees agreed to continue the Council until October 1, 1977.

FUEL SYSTEM INTEGRITY STANDARD

Section 108 of this legislation would incorporate by reference Federal motor vehicle safety standard 301 as published on March 21, 1974 in the Federal Register to take effect on the dates specified therein. This amendment to the provision in the House-pased bill reflects the intent of the House conferees as expressed during floor debate on H.R. 5529.

TECHNICAL EXPLANATION OF OCCUPANT RESTRAINT PROVISIONS

The conference substitute adds to the National Traffic and Motor Vehicle Safety Act of 1966 a new section 125 which deals with occupant restraint systems for motor vehicles.

REVISION OF EXISTING STANDARD

Subsection (a) of the new section 125 requires the Secretary of Transportation, within 60 days after the date of enactment of the bill, to amend the Federal motor vehicle safety standard for occupant crash protection—No. 208—so as to bring the standard into conformity with the requirements of subsection (b) of the new section 125. The amended standard must take effect within 120 days after enactment of the bill. For purposes of section 103(e) of the act, the requirement of a 120-day effective date would constitute good cause for making the amended standard effective before the expiration of the 180-day period after promulgation that section 103(e) would otherwise require.

LIMITATIONS ON OCCUPANT RESTRAINT STANDARDS

Section 125(b) sets out limitations on motor vehicle safety standards prescribed under section 103 of the act which relate to occupant restraint systems. After the effective date of the amendment prescribed under subsection (a), the following limitations would apply:

First. Buzzers and Interlocks. No Federal motor vehicle safety standard may have the effect of requiring—nor may it provide that a manufacturer is permitted to comply with such standard by means of—any continuous buzzer system designed to indicate the safety belts are not in use, or any safety belt interlock system.

Second. Nonbelt Systems. Subject to the exceptions in the following paragraph, no Federal motor vehicle safety standard respecting occupant restraint systems may have the effect of requiring—nor may it provide that a manufacturer is permitted to comply with such standard by means of—a nonbelt system. A "nonbelt system" is an occupant restraint system other than a belt system.

EXCEPTIONS FROM LIMITATION ON NONBELT SYSTEMS

Subsection (b)(3) provides for three exceptions from the limitation respecting nonbelt systems—but not from the limitation respecting interlocks and buzzers. The exceptions are as follows:

First. Nonbelt system optional with manufacturer. The first exception provides that the limitation on nonbelt systems does not apply to a standard which provides that a manufacturer may opt to comply with such standard by equipping motor vehicles manufactured by him with a nonbelt system rather than a belt system.

Second. Oral comment and submission to Congress for initial nonbelt standard. The second exception provides that the limitation on nonbelt systems does not apply to any standard which the Secretary elects to promulgate in accordance with the procedure specified in section 125(c), unless the standard is disapproved by both Houses of Congress by concurrent resolution in accordance with section 125(d).

Third. Revision of initial nonbelt standard. The third exception provides that the limitation on nonbelt systems does not apply to a Federal motor vehicle safety standard if at the time of promulgation of such standard (i) the 60-day period determined under section 125(d) has expired with respect to any previously promulgated standard which the Secretary has elected to promulgate in accordance with section 125(c), and (ii) both Houses of Congress have not by concurrent resolution within such 60-day period disapproved such previously promulgated standard. The effect of this exception is to leave DOT free, if a nonbelt occupant restraint standard has already been promulgated under the provisions of section 125(c) and if Congress has not disapproved the standard during the 60-day period under section 125(d), to promulgate a new nonbelt standard or to amend the previously promulgated one, without resorting to the procedure under section 125(c) and without having to submit the new or amended standard to Congress for disapproval.

It should be noted that the provisions of section 125(b) which refer to a standard which has "the effect of requiring" a particular system, mean not only a standard which by its terms requires the system but also a performance standard which as a practical matter can only be met by use of that system. Thus, if an occupant restraint standard requires passive restraints, which as a practical matter can be provided only by an air bag or other nonbelt system, then the standard would be regarded as having the effect of requiring a nonbelt system. The provisions of section 125(b) which refer to standards which "provide that a manufacturer is permitted to comply with a standard by means of" a particular system, refer to DOT's current practice of providing for a "manufacturer's option" in a standard. Such an option permits a manufacturer to comply with a standard by manufacturing the motor vehicle in a manner which complies with one of several alternative requirements.

PROMULGATION OF INITIAL NONBELT STANDARD

Subsection (c) describes the procedure which the Secretary may elect for purposes of promulgating a nonbelt standard. As noted above, this procedure need not be followed if a previously promulgated standard was prescribed under this procedure, and if that previously promulgated standard was not disapproved under section 125(d).

First. Applicability of section 103. The procedure generally requires that the standard-setting mechanism in section 103 of the act be followed, except as otherwise provided in paragraphs (2), (3), and (4) below. If a standard promulgated under section 125(c) and not disapproved under section 125(d) did not meet the requirements of section 103, it would not be valid. In particular, the effective date provisions in sections 103(c) and (e) of the act remain applicable, except that, of course, a standard for which the procedure under this section was elected could not take effect before the expiration of the 60-day period under section 125(d).

Second. Oral comments. A modification is made in the notice and comment requirements for standard-setting. DOT is required to permit interested persons to present oral presentation of their comments. DOT, however, would not be required to provide an adjudicatory hearing under sections 556 and 557 of title 5, United States Code; and judicial review of a standard promulgated under the section 125(c) procedure would not be under the "substantial evidence" rule—since the agency hearing is not required to be "on the record." A hearing held before the date of enactment would not satisfy the requirement for oral presenation.

Third. Congressional input. The chairmen and ranking minority members of the House Interstate and Foreign Commerce Committee and the Senate Commerce Committee are required to be notified in writing of any proposed standard to which section 125(c) applies. Any Member of Congress may make an oral presentation of data, views, or arguments.

Fourth. Transmittal to Congress. Any standard promulgated pursuant to section 125(c) is required to be transmitted to Congress, and to the chairmen and ranking minority members of the committees referred to in the preceding paragraph.

DISAPPROVAL BY CONGRESS OF INITIAL NONBELT STANDARD

Subsection (d) contains the congressional disapproval procedure. A standard which the Secretary has elected to promulgate in accordance with section 125 (c) cannot become effective if, during the first period of 60 calendar days of continuous session of Congress after the date of its transmittal to Congress, both Houses of Congress pass a concurrent resolution disapproving the standard. If both Houses do not pass such a resolution during such period, such standard shall not be effective until the expiration of the 60-day period or until a later date specified in the standard. Sections 103 (c) and (e) would apply to the effective day of such standard—subject to the 60-day requirement.

JUDICIAL REVIEW

Subsection (e) provides that any right which any person may have to obtain judicial review of a Federal motor vehicle safety standard is not impaired by section 125.

DEFINITIONS

Subsection (f) defines terms used in section 125.

"Safety belt interlock" is defined as any system designed to prevent starting or operation of a motor vehicle if one or more occupants of such vehicle are not using safety belts.

"Belt system" is defined as an occupant restraint system consisting of integrated lap and shoulder belts for front outboard occupants and lap belts for other occupants. With respect to: First, motor vehicles other than passenger vehicles, second, convertibles, and third, open-body type vehicles, the term also includes an occupant restraint system consisting of lap belts or lap belts combined with detachable shoulder belts. A partial airbag system, combining an air bag and a lap belt, would not be a belt system.

The term "occupant restraint system" means a system the principal purpose of which is to assure that occupants of a motor vehicle remain in their seats in the event of a collision or rollover. Such term does not include a warning device designed to indicate that seat belts are not in use.

The term "continuous buzzer" means a buzzer other than a buzzer which operates only during the 8-second period after the ignition is turned to the "start" or "on" position.

AUTHORITY TO DISCONNECT INTERLOCKS AND BUZZERS

The conference substitute contains two additional provisions which are related to section 125. Section 108(a)(2)(A) of the act—added by section 103(a) of the substitute—generally prohibits rendering inoperative of safety systems required by the Federal motor vehicle safety standards. Section 102(a)(2)(C) contains an exception from 108(a)(2)(A) which permits rendering inoperative of any interlock or continuous buzzer. Since this exception does not override section 108(a)(1)(A) of the act, which prohibits, and so forth, of a vehicle which does not comply with a standard, a further exception is provided in section 108(a)(2)(D), which permits a dealer to disconnect any interlock or continuous buzzer at the request of the purchaser of the motor vehicle. Section 111 of the bill makes this last exception effective on the date of enactment.

OTHER PROVISIONS

Section 110 of this legislation adopts the technical and conforming amendments as contained in the House-passed bill, including the section on regrooved tires.

The section in the House-passed bill on reduction of motor vehicle weight and cost was deleted for two reasons. DOT considers weight and cost factors as a matter of course in standard-setting proceedings. Also, more comprehensive legislation designed to integrate Federal conservation, environmental, and safety goals for the motor vehicle is anticipated.

Section III states that this legislation would take effect 60 days after enactment, as did the House-passed bill.

SCHOOLBUS SAFETY

Title II of this legislation preserves the House provisions requiring the promulgation of schoolbus safety standards within a 2-year period.

MOTOR VEHICLE DEMONSTRATION PROJECTS

Title III of this legislation adopts the House provision with clarifying changes.

Mr. Speaker, I urge the Members of the House to vote for the conference report.

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

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

Mr. GROSS. Mr. Speaker, I would like to ask a question of the gentleman from West Virginia, since I see no one present on the minority side representing the conferees.

Mr. STAGGERS. I would say to the gentleman from Iowa that they all signed the conference report.

Mr. GROSS. I am glad to hear that they signed the conference report.

Mr. STAGGERS. They all did.

Mr. GROSS. Section 4 of the Senate bill authorizes not to exceed $46,773,000, and the House amendment called for $55 million; is that correct?

Mr. STAGGERS. That is correct; yes.

Mr. GROSS. And you came out with how much?

Mr. STAGGERS. $55 million for the reason that the Senate bill went up higher over a longer period of time, it went up astronomically, so we agreed if they would knock off their figures we would come down.

Mr. GROSS. But the House version turned out to be the larger of the spenders?

Mr. STAGGERS. No. If we had acceded to what the Senate wanted it would have been much higher. We said that for the first 2 years we would agree to take ours if they would knock off theirs.

Mr. GROSS. Is that in the conference report?

Mr. STAGGERS. I do not know whether it is in the conference report, but that is the fact, that we did it in conference.

Mr. GROSS. At any rate, the figures are up over what the Senate originally came up with; they were induced to do so by the House.

Mr. STAGGERS. The Senate appropriation for $45 million was for the year 1974; we cut that out and made it for 1975 and 1976.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

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

Mr. BROWN of Michigan. Mr. Speaker, with respect to the interlock system, does the conference report only speak prospectively with regard to new automobiles, or does it cover the interlock system that is on existing automobiles?

Mr. STAGGERS. We say in the bill that a man who has a 1974 car can take it to any dealer and have it taken out right now, or just as soon as the bill passes.

Mr. BROWN of Michigan. I thank the gentleman.

Will the gentleman yield still further?

Mr. STAGGERS. I yield further to the gentleman from Michigan.

Mr. BROWN of Michigan. The owner of a 1974 automobile may take it to anyone?

Mr. STAGGERS. Yes.

Mr. BROWN of Michigan. Including a new car dealer?

Mr. STAGGERS. Yes.

Mr. BROWN of Michigan. That was in the Senate bill, but not in the House version; is that correct?

Mr. STAGGERS. I am not certain about that, but we do say that it may be done by manufacturers, distributors, new car dealers, and so forth, and it includes everybody.

Mr. BROWN of Michigan. I thank the gentleman very much.

Mr. DINGELL. Mr. Speaker, I find in the report language a sentence which disturbs me in that it seems to open the possibility of an air bag standard being imposed without any opportunity for the Congress to pass on it.

The specific language to which I refer appears at page 34493 of the CONGRESSIONAL RECORD of October 8 and reads:

> Once a non-belt system is permitted to become effective, then further changes in occupant restraint standards would not be subject to disapproval.

It incorrectly interpreted that language could thwart the desire of the Congress to review and, if appropriate, disapprove a standard imposing air bags on our constituents. If the language is not read in the clear light of the intent of the managers on the part of the House, such a situation could develop through promulgation of a standard requiring or permitting a passive belt system to become effective, followed by promulgation of an air bag standard. It is my understanding that a passive belt system can be permitted under existing rules and that a passive belt system without a lap belt would qualify as a nonbelt system.

Such a procedure is clearly inconsistent with the desires of this House and not in accord with the intent of the conferees. Consequently, I am pleased that the Chairman of the House managers affirms that any air bag standard which may be promulgated by DOT will, when proposed, be subject to the disapproval procedures afforded by the bill approved by the conferees.

I am pleased that the gentleman from West Virginia (Mr. STAGGERS) agrees with me, that such a procedure would not be in accord with the intent of the conferees or the desires of this body.

Mr. Speaker, I wish to bring before the House matters in the statement of the managers on the part of the House regarding the provisions of section 159 as to certain definitions which did not appear in the bill reported by either House. The conference report states that the new definitions adopted in the conference substitute merely clarify ambiguities and do not reflect any changes of policy expressed in the provisions of the House amendment, which was adopted on August 12, 1974. At that time the gentleman from North Carolina (Mr. BROYHILL) asked for an expression of intent from the managers on the majority side as to the committee's intent in order to instruct the Secretary on the adoption of regulations. The gentleman from California responded to that request by stating:

> In short, the vehicle manufacturer should have no responsibility for safety-related defects resulting from alterations or conversions of completed vehicles unless, of course, it is done in accordance with that manufacturer's instructions, or authorization.

That intent remains unchanged, the Secretary appears to be adequately instructed to adopt regulations that will foreclose the possibility of the vehicle manufacturer being held liable for penalties or for the costs of remedying defects because of the actions of others over whom he has no control. The managers confirm that my understanding is correct and that the intent of this House as expressed by the gentleman from California on this point is also the intent of the conference.

Mr. WYMAN. Mr. Speaker, I am glad to see that the conferees have worked out both language and alternatives to the thorny dilemmas presented by the virtually unanimous protest of this House against the Department of Transportation's regulation requiring a seatbelt-ignition interlock. The resulting inconvenience to America's motoring public from having to buckle up before you could start your car to move it from one stall to another in your own garage—or having to buckle up a bag of groceries on one of the front seats if it weighed more than 6 pounds—this sort of thing was ridiculous and the Congress has now, in response to the overwhelming will of the public, ended the seatbelt ignition interlock once and for all. It should be recognized that it was never a creature of Congress to start with.

I am glad I was able to be helpful in this regard as the prime sponsor of the interlock prohibition. Let it be remembered by regulatory agencies that we are all partners, not adversaries, and that anything that is so costly and so fundamental as a regulation requiring an assembly line function for the entire automotive industry both in the United States and abroad insofar as the industry there schedules imports into the U.S.A., should require consultation with and approval of the appropriate oversight committees of the Congress before it is implemented. Such a procedure is assured under the provisions of this conference report.

We do not know what lies ahead in the field of passive restraints. Air bag enthusiasts are championing an expensive air bag protection as mandatory in 1977 models. But the problem here is manifold since airbags do not adapt themselves to smaller vehicles and it may well be that size and adaptability may be conditions precedent to appropriate airbag regulation, especially at the mandatory level. A further troublesome factor is that airbags provide protection only against collisions in the 11-to-1 frame on the clock. They do not protect against rollovers or side impacts even with the addition of a single seatbelt. So there is much to be worked out to protect the motoring public and its passengers.

And with the price of cars going higher and higher from all the gadgetry being imposed on the industry by Government regulation it should be obvious even to the most enthusiastic restraint advocate, that airbags that are very expensive, ought not to be made mandatory equipment unless they are the real answer. That has not yet been determined.

Meanwhile one thing is clear by what has been accomplished by the Congress in the legislation now before us. Seat belts and harnesses are all motorists can be required to buy. No ignition interlocks. No fancy wiring. No sequential warning systems. And this is as it should be.

Hopefully most American drivers will buckle up voluntarily. If they do not and they end up with that steering wheel in their stomach, that will have resulted from their own decision to their own regret—but this too is as it should be in a still-free America.

As long as it does not relate to the lives and safety of others it is no part of the proper function of bureaucracy to require our people to do things simply because it is not good for them. The Constitution provides otherwise, for which we should each and everyone be profoundly grateful.

Appreciation is due the conferees who labored long and mightily to put this conference together. The same spirit of togetherness as we encourage education in the voluntary use of seatbelts and harnesses, and the development of additional driver and passenger protections, is the goal of all thoughtful concerned Americans in this Nation on wheels in which many lives are needlessly lost in traffic accidents.

Mr. Speaker, I urge adoption of the conference report.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 15427, AMTRAK IMPROVEMENT ACT OF 1974

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the bill (H.R. 15427) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, 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 West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of October 8, 1974.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the statement of the managers be considered as read and printed in the RECORD.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I will say to my friend, the gentleman from West Virginia, that this is one of my least favorite boondoggles. Does he intend to take some time to explain what transpired in conference?

Mr. STAGGERS. Yes, indeed.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

Mr. STAGGERS. Mr. Speaker, essentially, the bill is the same as the House bill with the following changes—

First. Amtrak is required to directly perform its own maintenance and repairs—to the maximum extent practicable;

Second. Amtrak is required to cooperate with the U.S. Railway Association, the Secretary of Transportation, the new Consolidated Rail Corporation, and the Corps of Engineers on the northeast corridor project;

Third. The Secretary of Treasury and the Bureau of the Customs are directed to work out suitable inspections of Amtrak international trains;

Fourth. A technical amendment allowing State or local government to share subsidy costs for Amtrak routes was adopted;

Fifth. The Secretary of Transportation will give priority in designation of experimental trains to those States which do not now have service;

Sixth. The Secretary of Transportation is required to adopt guidelines for Amtrak planning of loan grants;

Seventh. The ICC will be allowed to represent itself in Federal court when the Department of Justice has a conflict of interest or does not want to represent the ICC;

Eighth. A study of high-speed transportation by rail between the west coast cities—much like the Northeast Corridor—was adopted;

Ninth. A technical amendment allowing State utility commissions to modify certain standards prior to the effective date set by law was adopted;

Tenth. Federal coordination of the proposed intermodal terminal at Union Station was modified so that nothing will interfere with the proposed Visitors Center; and

Eleventh. A program to preserve historical rail stations was modified and adopted, giving the Secretary of Transportation authority to designate a demonstration project.

The Senate receded on six of its provisions, including an amendment which would have removed the current salary limitation on Amtrak employees.

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

Mr. DINGELL. Mr. Speaker, I thank the distinguished chairman of the Committee on Interstate and Foreign Commerce for yielding to me. In this, as in all things, the gentleman from West Virginia has been a complete gentleman and I certainly wish to express my thanks to him.

It will be noted for the record, Mr. Speaker, that I was one of the managers on behalf of the House. It will also be noted from the remarks of the statement of the managers on the part of the House that my name does not appear as having signed the statement of the managers on the part of the House. I wish to present before my colleagues in the House the reasons therefor.

As my colleagues will recall, the bill passed by the House was a rather lean bill, it was a bill directed to seeing to it that Amtrak had those things necessary for its success without frills. A reading of the Senate bill will disclose to my colleagues that the Senate loaded the Amtrak authorization down with a large number of matters that do not properly belong in Amtrak at this particular time and which would compel the taxpayers to make additional payments at the time of the subsidy for matters that I regard as being unwise both as to the amount of the subsidy and also as to the manner in which the subsidy would be given.

For example, it will be noted that there is a significant adaptation and expansion to the House bill with respect to the Northeast corridor. It will be noted that there are significant expansions of the House funding with respect to going beyond the basic system. It will be noted that there is significant expansion of our new services going far beyond that which was provided in the House bill. It will be noted that there are significant expansions with regard to purchase of facilities such as stations, expansion of stations including the expansion of a station here in Washington, D.C.

The original Senate bill went so far, and I think it was quite improper, as to authorize the purchase of Union Station again after the House had already adopted similar legislation.

I think the House was far too generous in conceding these and similar points to the Senate, and I think that were it not for the fact of the lateness of the hour and the urgency of providing the necessary assistance to Amtrak to assure its continued viability, I might be at this time rising not to notify the House but rather to urge the House to reject the conference report.

There are a number of things relating to the intermodal system that do not properly belong in Amtrak. There are a number of studies included, such as transportation from downtown to airport, the studies for rail transportation for recreational purposes and a number of other things. Perhaps these things belong in Amtrak, perhaps they belong in this authorization bill, but my colleagues should have before them the hard fact that never were hearings held on these matters in the House. I am satisfied a study of the record in consideration of these matters would indicate that the Senate did not consider those matters.

Now, I think it is too often forgotten that we are equal bodies, the House and the Senate. During the course of discussions with the Senate conferees, the statement was made:

> Well, if you don't want these, we will just terminate the conference and we will go back and the Senate will make it plain who killed the bill.

This is something I very strongly disapprove, but I will say to my colleagues that I disapprove even more strongly how the Senate loads and lauds this bill worth a lot of money for which there is no need, just to satisfy the ego and vanity of the Members of the Senate or to get them "brownie points" at home. This, in my view, is clearly wrong. I want the House to be aware of it and be sure that next year when Amtrak is before us again we will face a similar situation to which the House will be alert and which the House will object to and reject, because clearly this is the wrong way to legislate, although it happens to be the standard way the U.S. Senate functions.

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

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

Mr. GROSS. I was not able to understand precisely what the gentleman had to say about the railroad situation, if that is what he was talking about.

Mr. DINGELL. As a result of the action of the House conferees, the gentleman should know the House rejected the purchasing of the second Grand Central Station in Washington and we cut back the raids on the Treasury.

Mr. GROSS. The Grand Central Station in Washington?

Mr. DINGELL. The Union Station, or whatever we call it, that we bought again last week on the House floor, as the gentleman will recall.

Mr. GROSS. Is the gentleman saying that funds for that Union Station were added in this conference report?

Mr. DINGELL. No. There is money for the construction of the station, but we are buying the former Union Station, now the Visitors' Center again; but the House conferees did, I say to their credit, reject that and did significantly modify many of the Senate raids on the Treasury.

Mr. GROSS. I thank the gentleman.

Mr. KUYKENDALL. Mr. Speaker, I want to join in some of the remarks made by the gentleman from Michigan (Mr. DINGELL) in the sense that the Senate did choose to make this bill, to a large degree, a Christmas tree; but I wish to commend the House conferees in most cases and I think there will be some instances in which the House Subcommittee on Ap-

propriations should have a look at the compromise made in the Senate.

There are four primary examples of where the House conferees were able to correct major frills, we might say, in the Amtrak bill.

The Senate bill would have deleted the limitation on salaries of Amtrak officers, as the chairman has stated. The House conferees were successful in retaining the salary limitation.

The Senate bill would have appropriated $100 million for the design and construction of intermodal terminals and required a 90-percent Federal share in such projects. The House conferees managed to cut this amount to $25 million and reduce the Federal share to 60 percent.

The Senate bill would have authorized an expenditure of $35 million to extend the basic Amtrak system. The House conferees were successful in completely eliminating this provision.

Finally, the Senate bill authorized an expenditure of $3 million for a study of the potential for high-speed city-to-airport rail services. Again, the House conferees prevailed, and the Senate receded from this provision.

What we have before us today is basically the House bill with some minor additions, which, of course, should be looked at by the House Appropriations Subcommittee; but I feel that the House conferees did the maximum they could do under the circumstances.

I agree with the gentleman from Michigan, particularly in one instance where one of the Senate conferees in addressing the gentleman from Michigan said, "Well, do you want to stop the conference and have me go over and blame the whole thing on you?"

Those are exactly the words that were said in the conference; so I think the House conferees did the best possible job.

I urge the adoption of the conference report, but I do reserve the right to support some cuts by the Committee on Appropriations when they, hopefully, finish the remainder.

I yield to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I thank the gentleman. I do not want my remarks to reflect adversely on my colleagues in the House conferees who I think under the circumstances under which we all labored did an outstanding job. I refer to my good friend, the gentleman from Tennessee (Mr. KUYKENDALL) and to my good friend, the gentleman from West Virginia (Mr. STAGGERS).

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

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

Mr. TALCOTT. Mr. Speaker, I would like to commend the House conferees for their commendable work on this Amtrak bill.

I would like to ask a question concerning the conference report, particularly relating to the experimental programs recommended in the conference report. There is a rail service which formerly provided passenger service between San Francisco and Monterey, Calif. This was one of the very last services to be discontinued. I am wondering if this kind of program can be put pack into service. People in these areas and along this route are very anxious to reinstate passenger service.

I am wondering if this experimental program would qualify under the bill.

Mr. KUYKENDALL. Mr. Speaker, I want to compliment the gentleman from California for the work he has done to try to get the reestablishment of this rail service. From the description he has given me, both here and in private, of the potential of this particular service, I am quite sure, that it would qualify under the section of the Amtrak Act dealing with experimental routes.

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

Mr. STAGGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Speaker, I support this conference report. This is a very important bill. It is one of the few that we have, I think, in this Congress where we have an opportunity to try to go forward in a constructive fashion on the energy crisis by maintaining our rights-of-way throughout the United States for the movement of rail traffic. Our ability to do this will mean that in the future it will not be necessary for us to use the amounts of fuel that we have in the past in the more expensive and more fuel consuming vehicles.

We are very hopeful that this bill will also maintain throughout the United States a right-of-way system so that we will have available the rail facilities to move passengers rapidly, not only up and down the east coast, which is presently under active construction and work, but also the west coast, with the new system of moving people rapidly through a corridor system.

Finally, Mr. Speaker, I would like to state that I am very pleased that we are working with the new intermodal centers. This will allow us to tie together our total transportation system, and by being able to do this we can make it a great deal more effective. Therefore, Mr. Speaker, I am hopeful that this conference report will be adopted. I think the committee has done an excellent job.

Mr. ANDERSON of California. Mr. Speaker, I rise in support of the conference report to accompany H.R. 15427, a bill to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation.

Included in this conference report is a provision requiring the Secretary of Transportation to make an investigation and study for the purpose of determining the social advisability, technical feasibility, and economic practicability of a high-speed ground transportation system between major west coast cities.

Although this provision was not included in the House-passed version of H.R. 15427, it was previously adopted by the House as an amendment to H.R. 11450, the National Energy Emergency Act, which was vetoed by former President Nixon last March.

Many of the Members here are not familiar with some of the problems we have on the west coast. And one of those problems is intercity travel—travel between San Diego, Los Angeles, San Francisco, and other great cities. In fact, the Nation's most heavily traveled air corridor by 3 to 1 is the route between Los Angeles and San Francisco.

Furthermore, the traffic forecast indicates that by 1985, the growth factor alone in this west coast route will amount to several times more than the traffic which now exists in the next densest air short-haul route—Boston to New York.

By automobile, we presently have 6 million trips a year between Los Angeles and San Francisco. This is about equivalent to the auto trips in a year between New York and Boston.

Today, with our need to conserve energy, we must be examining alternatives to both the automobile and the airplane to permit people access to travel for business and pleasure. Obviously, one way of gaining the most benefit from our precious energy resources is to provide a ground system—similar to the Metroliner—which gets the maximum passenger miles per gallon.

If travel within the west coast were ever curtailed because of a lack of an adequate transportation system, serious harm would be done to the economy of the region, as well as the country as a whole.

But presently, we do not even have a plan.

This provision would require a study of the most practical and energy efficient method of ground transportation in the corridor from Tijuana, Mexico, to Vancouver, Canada, including the U.S. cities of San Diego, Los Angeles, Fresno, San Francisco, Portland, and Seattle.

The provision further requires the Secretary of Transportation to report the results of the study and investigation, together with his recommendations, to the Congress and the President no later than January 30, 1977, with an interim report due on Jannary 30, 1976.

Mr. Speaker, I urge my colleagues to approve this conference report in order that we might finally begin the vital West Coast high-speed ground transportation study.

Mr. KUYKENDALL. Mr. Speaker, I rise in support of the conference report on the Amtrak Improvement Act of 1974.

This conference report is the product of rather lengthy deliberations between the House and Senate conferees. The House conferees were faced with a difficult situation because the House-passed bill was quite straightforward and essentially limited itself to the authorization of funds and extension of the loan guarantees to Amtrak. The Senate bill, on the other hand, was an attempt to deal with a wide range of topics, many of which had little or no relationship to the basic problems of Amtrak and all of which cost a lot of money. The House conferees succeeded in deleting most of these provisions or at least reducing their financial impact.

There are four primary examples of where this occurred:

First. The Senate bill would have deleted the limitation on salaries of Am-

trak officers that was added to the law by Congress in 1972. The House conferees were successful in retaining the salary limitation;

Second. The Senate bill would have appropriated $100 million for the design and construction of intermodal terminals and required a 90-percent Federal share in such projects. The House conferees managed to cut this amount to only $25 million and reduce the Federal share to 60 percent;

Third. The Senate bill would have authorized an expenditure of $35 million to extend the basic Amtrak system. The House conferees were successful in completely eliminating this provision; and

Fourth. Finally, the Senate bill authorized an expenditure of $3 million for a study of the potential for high-speed city-to-airport rail services. Again, the House conferees prevailed, and the Senate receded from this provision.

What we have before us today, then, is basically the House bill with only a few minor additions, none of which require extensive Federal expenditure. I urge adoption of the conference agreement.

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

The previous question was ordered.

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that further proceedings on the conference report be postponed until 5 p.m. today.

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

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

PARLIAMENTARY INQUIRY

Mr. BROWN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BROWN of Michigan. Mr. Speaker, would it be in order to move that the vote on this measure be postponed until 5 p.m.?

The SPEAKER. It requires a unanimous consent request.

Mr. O'NEILL. Mr. Speaker, now I inquire as to who objected?

The SPEAKER. The gentleman from Iowa, I believe, objected.

Would the gentleman object to ---th-holding the vote until 4 p.m.?

Mr. BROWN of Michigan. Mr. Speaker, I propose that the vote——

Mr. GROSS. Mr. Speaker, regular order.

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent that the vote on this conference report be postponed until 5 p.m.

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

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the conference report.

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 299, nays 35, not voting 100, as follows:

[Roll No. 617]

YEAS—299

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Badillo
Barrett
Bennett
Bergland
Biaggi
Biester
Bingham
Boggs
Bowen
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Broyhill, N.C.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Butler
Burton, Phillip
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clark
Clausen, Cleveland
Don H.
Clay
Cochran
Cohen
Collier
Collins, Ill.
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
Delaney
Dellenback
Dellums
Dennis
Dent
Derwinski
Devine
Diggs
Donohue
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Foley
Ford
Forsythe
Fountain
Fraser
Frey
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Gray
Green, Pa.
Gubser
Gude
Gunter
Guyer
Hamilton
Hanley
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holtzman
Horton
Howard
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Long, Md.
Lujan
Luken
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McSpadden
Macdonald
Madden
Madigan
Mahon
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Metcalfe
Mezvinsky
Milford
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Railsback
Randall
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Sarasin
Sarbanes
Scherle
Schroeder
Sebelius
Seiberling
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Taicott
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Traxler
Treen
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Waldie
Walsh
Whalen
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zwach

NAYS—35

Archer
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bevill
Broyhill, Va.
Burleson, Tex.
Camp
Clawson, Del
Daniel, Dan
de la Garza
Dingell
Duncan
Flowers
Flynt
Goodling
Gross
Harsha
Holt
Hosmer
Landrum
Miller
Montgomery
Nichols
Quillen
Robinson, Va.
Runnels
Satterfield
Schneebeli
Symms
Wampler
Whitten

NOT VOTING—100

Abdnor
Arends
Aspin
Bell
Blackburn
Blatnik
Boland
Bolling
Brademas
Brasco
Breaux
Brown, Calif.
Brown, Ohio
Burke, Fla.
Carey, N.Y.
Clancy
Collins, Tex.
Conable
Conlan
Conte
Crane
Daniel, Robert W., Jr.
Davis, Wis.
Denholm
Dickinson
Dorn
Evins, Tenn.
Frelinghuysen
Frenzel
Froehlich
Fulton
Gettys
Goldwater
Green, Oreg.
Griffiths
Grover
Haley
Hammer-schmidt
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hébert
Heckler, Mass.
Holifield
Huber
Hudnut
Johnson, Colo.
Johnson, Pa.
Landgrebe
Long, La.
Lott
McClory
McKinney
Mallary
Mayne
Melcher
Michel
Mills
Mitchell, N.Y.
Mizell
Moorhead, Calif.
Moss
O'Hara
Parris
Patman
Podell
Quie
Rarick
Reid
Rhodes
Roberts
Roncallo, Wyo.
Roncallo, N.Y.
Rooney, N.Y.
Rousselot
Roy
Ruppe
Ruth
Sandman
Shoup
Smith, Iowa
Snyder
Steelman
Steiger, Ariz.
Taylor, Mo.
Tiernan
Udall
Veysey
Ware
White
Whitehurst
Widnall
Williams
Winn
Wolff
Young, Alaska
Zion

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Carey of New York with Mr. Blatnik.

Mr. Evins of Tennessee with Mr. Davis of Wisconsin.

Mr. Fulton with Mr. Dorn.

Mr. Harrington with Mrs. Green of Oregon.

Mr. O'Hara with Mr. Gettys.

Mr. Hébert with Mrs. Griffiths.

Mr. Roberts with Mr. Tiernan.

Mr. Rooney of New York with Mr. Roy.

Mr. Udall with Mr. Reid.

Mr. Rhodes with Mr. Rarick.

Mr. Arends with Mr. Mills.

Mr. Moss with Mr. Mallary.

Mr. Zion with Mr. Holifield.

Mr. Widnall with Mrs. Hansen of Washington.

Mr. Smith of Iowa with Mr. Hansen of Idaho.

Mr. Aspin with Mr. Frelinghuysen.

Mr. Blackburn with Mr. Hanna.

Mr. Conable with Mr. Robert W. Daniel, Jr.

Mr. Boland with Mr. Crane.

Mr. Conte with Mr. Collins of Texas.

Mr. Parris with Mr. Huber.

Mr. Michel with Mr. Johnson of Pennsylvania.

Mr. Patman with Mr. Lott.

Mr. Wolff with Mr. Mizell.

Mr. Whitehurst with Mr. Ruppe.

Mr. Hanrahan with Mr. Rousselot.

Mr. Grover with Mr. Williams.

Mr. Hastings with Mr. Ware.

Mrs. Heckler of Massachusetts with Mr. Steiger of Arizona.
Mr. Hudnut with Mr. Snyder.
Mr. McKinney with Mr. Abdnor.
Mr. White with Mr. Conlan.
Mr. Sandman with Mr. Froehlich.
Mr. Roncalio of Wyoming with Mr. Goldwater.
Mr. Brademas with Mr. Hammerschmidt.
Mr. Brown of California with Mr. Haley.
Mr. Bell with Mr. Breaux.
Mr. Clancy with Mr. Dickinson.
Mr. Burke of Florida with Mr. Frenzel.
Mr. Denholm with Mr. Moorhead of California.
Mr. Mitchell of New York with Mr. Long of Louisiana.
Mr. Landgrebe with Mr. Quie.
Mr. Brown of Ohio with Mr. Ruth.
Mr. Shoup with Mr. Winn.
Mr. McClory with Young of Alaska.
Mr. Melcher with Mr. Taylor of Missouri.
Mr. Steelman with Mr. Mayne.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN H.R. 15427, AMTRAK IMPROVEMENT ACT OF 1974

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 119) and ask for its immediate consideration.

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 119

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H.R. 15427) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) In the new subsection (g) added to section 305 of the Rail Passenger Service Act of 1970 by section 3 of the bill, strike out "its completion" in the last sentence of such subsection and insert in lieu thereof "the completion of such project".

(2) Strike out section 4, and insert in lieu thereof the following:

SEC. 4. Section 305 of such Act is amended by adding at the end thereof the following new subsection:

"(f) The Secretary of the Treasury shall establish and maintain, in cooperation with the Corporation, customs inspection procedures aboard trains operated in international intercity rail passenger service under paragraph (7) of subsection (e) of this section, which procedures will be convenient for passengers and will result in the most rapid possible transit between embarkation and debarkation points on such service.".

(3) In the amendment made to section 4 of the Department of Transportation Act by the first section 15 of the bill, redesignate paragraph (6) as section 6 of the bill.

(4) Immediately following section 5, insert the section redesignated as section 6 by paragraph (3) of this concurrent resolution.

(5) Redesignate the second section 15 of the bill as section 16.

(6) Redesignate the existing section 16 of the bill as section 17.

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that the Senate concurrent resolution be considered as read and printed in the RECORD, and I will explain it.

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

There was no objection.

Mr. STAGGERS. Mr. Speaker, the corrections are strictly technical, changing section numbers and making one grammatical change. There is no substantive change made in any way.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

KIYONAO OKAMI

Mr. JAMES V. STANTON. Mr. Speaker, I ask unanimous consent to take the bill (H.R. 10827) for the relief of Kiyonao Okami from the Private Calendar and ask for its immediate consideration.

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

Mr. BAUMAN. Mr. Speaker, reserving the right to object, will the gentleman please explain whether this has been cleared with the Republican side?

Mr. JAMES V. STANTON. Mr. Speaker, if the gentleman will yield, yes, it has been cleared with the gentleman from Ohio (Mr. WYLIE) on the Republican side.

Mr. BAUMAN. Mr. Speaker, I appreciate the gentleman's explanation.

I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the bill, as follows:

H.R. 10827

For the relief of Kiyonao Okami.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of computing the retirement annuity due Kiyonao Okami, of Dublin, Ireland, under section 821 (a) of the Foreign Service Act of 1946 (22 U.S.C. 1076 (a)), his promotion to fourth in grade of class 3 shall be deemed to have taken effect on May 19, 1968, if he pays any additional contributions within six months after the date of enactment of this Act which may be required by section 811 of such Act (22 U.S.C. 1071) because of the effective date of such promotion. However, he shall not have to pay any such contributions for the time period beginning on the date of his retirement from the Foreign Service through the date on which he receives the first increased annuity payment resulting from such promotion. The increased annuity payments resulting from such promotion shall be effective beginning with the first annuity payment after the month in which he makes the additional contribution provided by the first sentence of this Act.

With the following committee amendments:

Page 1, line 6: Strike "fourth in grade" and insert "step one".

Page 2, line 3: After "promotion," insert "The said Kiyonao Okami shall be given the option to increase the survivor election he made at retirement up to the maximum amount possible on the increased annuity authorized by this Act."

The committee amendments were agreed to.

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

CONFERENCE REPORT ON S. 3355, EXTENSION OF CONTROLLED SUBSTANCES ACT

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the Senate bill (S. 3355) to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 8, 1974.)

Mr. STAGGERS. Mr. Speaker, the conference report on S. 3355, the Controlled Substances Act Extension of 1974, is a good conference report which is generally very favorable to the House. The House bill authorized $480 million for the three years 1975 through 1977. The Senate bill was more generous, with authorizations of $875 million for 5 years, 1975 through 1979. The conference report adopts the provisions of the House bill and thus includes no increased costs over our original action.

The Senate bill contained a provision which was not included in the House amendment which was intended to ban economic and military assistance to any nation which the Congress found by adoption of a concurrent resolution was not effectively banning the growing of opium poppies or preventing opium or its derivatives from being diverted into illicit markets. Because this provision was not in our committee's jurisdiction, and because the House had already adopted House Concurrent Resolution 507 to deal with the same problem, we insisted that the Senate recede from this provision and they were able to do so.

Both the House and Senate bills repealed the so-called no-knock provisions of the Federal Controlled Substances Act. However, the Senate bill in addition repealed the "no-knock" provisions of the District of Columbia Code. The Senate was very firm on this provision, we have received correspondence from both Mayor Washington of the District and Chairman DIGGS of the District Committee saying they would not object to our accepting the provision, and we needed to be consistent with the Federal repeal. Therefore, the conference report contains the Senate provision and repeals "no-knock" under the District of Columbia Code.

Finally, the conference report adopts a provision in the Senate bill which was not in the House amendment extending the protections of section 1114 of title 18 of the United States Code to agents of

the Drug Enforcement Administration, and a provision from the House amendment which was not contained in the Senate bill extending parole provisions of sections 1103 and 4202 of the United States Code to individuals conceived under the old narcotics acts repealed in 1970 by the Controlled Substances Act.

Concern has been expressed that the amendment made by section 2 of the conference report, which makes the parole provisions of section 4202 of title 18, United States Code, specifically available to persons prosecuted before the date of the enactment of the Comprehensive Drug Abuse Prevention and Control Act of 1970—1970 Drug Act—does not expressly refer to the general savings provision of section 109 of title 1 of the United States Code. Section 109 provides, in part, that, unless otherwise specified in the repealing law, the repeal of a statute does not release or extinguish any penalty or forfeiture incurred under the statute repealed. Section 109 is a general savings provision applicable when there is no specific expression of congressional intent to the contrary. Sections 702 and 1103 of the 1970 Drug Act specified that there would be no such release or extinguishing resulting from the repeals made by such act. The Supreme Court in *Warden* v. *Marrero*, 42 U.S.L.W. 4958 (June 19, 1974) found no conflict between section 109 and the provisions of section 1103—see footnote 10 of the decision—and, consequently, also used section 109 to support the holding of the case. But, the amendment made by section 2 of the conference report, a later enactment of Congress, would specifically reverse section 1103—and its companion, section 702—with respect to the availability of parole. Thus, upon enactment of the conference report section 109 would conflict with a later enactment of Congress and could then not be read as overriding the clear intent of Congress in making such amendment, and the decision in the Warden case respecting the availability of parole would no longer be applicable.

This is a good conference report with which I think we can all agree and which contains no increase in costs over the original House bill. I urge its adoption.

Mr. ROGERS. I rise in full support of the conference report. As the chairman has stated, following one conference meeting, the conferees have agreed to recommend to the House a report that retains every provision in the House-passed bill, keeps the funding levels at identical levels authorized in the House bill, and adds two provisions contained in the Senate bill and not the House bill. These provisions consist of an amendment to title 18, United States Code, which makes it clear that an existing statute which makes assault on Federal officers a Federal offense applies to assaults on Drug Enforcement Administration officers, and provisions repealing the District of Columbia "no-knock" provisions.

The first provision is necessary to conform the existing assault statute to changes made by the 1973 reorganization of our Federal drug abuse enforcement efforts, which resulted in incorporation of functions previously performed by the Bureau of Narcotics and Dangerous Drugs into the newly established Drug Enforcement Administration. The existing statute protecting Federal officers refers to officers of the Bureau of Narcotics and Dangerous Drugs.

The Justice Department has requested that this provision be adopted, because of an adverse district court ruling in the southern district of Texas. Briefly, in the case of U.S. against Irick, the defendant was charged with assaulting a DEA special agent on August 27, 1973—after the transfer of authority from BNDD to DEA took place. The judge granted defendant's motion to dismiss on grounds that Congress had not specifically made it an offense to assault a DEA official. The provision agreed to by the House thus is necessary to render the statute applicable to assaults on DEA officers.

The second provision that was contained in the Senate bill, but not the House bill, repeals the so-called no-knock provisions of the District of Columbia Code which were enacted in 1970. Although the House bill repealed the "no-knock" provisions which applied to Federal drug enforcement agents under the Controlled Substances Act, jurisdiction over the District of Columbia Code lies with the House District Committee. The chairman of the District Committee, the gentleman from Michigan, advised the House conferees by letter that he would have no objection to the House receding to the Senate position repealing the District of Columbia "no-knock" provisions. Jerry Wilson, Chief of Police of the District of Columbia, has stated flatly that he would not object to repeal of these provisions.

Mr. Speaker, the Drug Enforcement Administration's mission is to control the accessibility of narcotics and dangerous drugs to current and potential drug abusers throughout the United States. While substantial efforts and accomplishments have been made in attaining this goal, this legislation is necessary to continue the efforts of the DEA. The Subcommittee on Public Health and Environment, which I chair, held oversight hearings on October 7 on the status of drug addiction and control in the United States.

We were informed that during the period beginning in 1971 through January of 1974, all indications were that heroin addiction was on a downturn in this country. Law enforcement efforts, treatment efforts, and the success of the Turkish opium ban were combining to halt the flow of heroin into this country and to treat those individuals addicted to heroin and other dangerous drugs. Within the past few months, however, the DEA has uncovered a new source of heroin reaching a new population group. DEA estimates that 70 percent of the heroin reaching this country today comes from poppies grown in Mexico. This so-called Mexican brown heroin is funneling up from the Southwest into the smaller cities of the Midwest and South. DEA is currently plotting the spread across the country of the Mexican brown heroin based on arrests and seizures. The DEA is cooperating with the Government of Mexico to halt the flow of heroin from Mexico, and has increased its activities and agents on the United States-Mexican border.

Mr. Speaker, this is an important measure that should receive the full support of this body. It will provide needed funds and personnel to continue the attack on illicit drug traffic, from Mexico and elsewhere. I urge my colleagues to approve this report.

The SPEAKER. Without objection, the previous question is ordered in the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

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

There was no objection.

SURVIVING SPOUSE ANNUITIES

Mr. WALDIE. Mr. Speaker, I call up the conference report on the Senate bill (S. 628) to amend chapter 83 of title 5, United States Code, to eliminate the annuity reduction made, in order to provide a surviving spouse with an annuity, during periods when the annuitant is not married, 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 California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 7, 1974.)

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

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

There was no objection.

Mr. WALDIE. Mr. Speaker, the provisions of the conference report are substantially the same as the provisions of S. 628 as originally passed by the Senate, except for certain clarifying language.

As passed by the Senate, S. 628 proposed to eliminate, for any month during which an annuitant is not married, the reduction in annuity that a retiring Federal employee or Member of Congress accepts upon retirement in order to provide a survivor annuity for his or her spouse.

As you may recall, on April 24, 1974, the House passed S. 628 after substitut-

ing an entirely new text for the Senate provisions.

The primary purpose of the House amendment was to repeal those provisions of the civil service retirement law which now require a reduction in the annuity of a retiring employee or Member who desires to provide an annuity for his or her surviving spouse and those provisions which now permit a retiree to deny his or her spouse entitlement to a survivor annuity.

The effect of the House amendment to S. 628, therefore, would have been to provide an automatic annuity to a surviving spouse without any reduction in the retiring employee's annuity.

The Senate bill and the conference agreement would increase the unfunded liability of the civil service retirement fund by $136.7 million which would be amortized by 30 annual appropriations of $8.5 million.

The House amendment, on the other hand, would have increased the unfunded liability by $5.85 billion, resulting in annual appropriations of $362 million.

In view of the Senate's position on the matter of cost, and the fact that any significant compromise between the House and Senate versions of the bill also would have resulted in a substantial increase in the unfunded liability of the retirement fund, a majority of the House conferees considered it clearly advisable to accept the conference agreement, which, as noted earlier, is substantially the same as the Senate bill.

There is no question that the conference agreement, though modest in nature, will provide much needed relief for certain civil service annuitants and I, therefore, urge adoption of the conference report.

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

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

Mr. HOGAN. Mr. Speaker, I would like to concur in the remarks of the gentleman from California and say that while the House conferees were intent on sticking with the House version of the legislation, which was far more preferable from the point of view of Federal retirees and employees, we had the choice between this bill or no bill. We thought it was preferable to go along with the Senate version.

Hopefully, in a future Congress, more beneficial legislation will be enacted.

Mr. WALDIE. Mr. Speaker, I thank the gentleman and commend him on his efforts with respect to this bill.

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.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WALDIE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on S. 628, just agreed to.

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

There was no objection.

CONFERENCE REPORT ON S. 3007, AUTHORIZING APPROPRIATIONS FOR THE INDIAN CLAIMS COMMISSION FOR FISCAL YEAR 1975

Mr. MEEDS. Mr. Speaker, I call up the conference report on the Senate bill (S. 3007) to authorize appropriations for the Indian Claims Commission for fiscal year 1975, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 8, 1974.)

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

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

There was no objection.

Mr. MEEDS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the Senate passed S. 3007 in May of this year, and it had two titles; one which authorized appropriations for the operation of the Indian Claims Commission in the amount of $1,450,000, and a title which provided that expenditures for food rations or provisions shall not be considered payments on the claim.

The House passed a companion House bill, but thereafter struck out the Senate language and inserted the House language and sent it back. The Senate demanded a conference, and conferees were appointed by the House. The House conferees refused to go along with the Senate conferees, because there had been no hearings in the House on the subject matter of title II, which was only the difference in the two bills; that the Committee on Interior and Insular Affairs had not had an opportunity to consider it, and we felt it was improper to ask the House membership to pass something on which there was no hearings and which might ultimately lead to additional liabilities in the amount of approximately $100 million.

The House conferees agreed to recess the conference, to introduce legislation containing the substance of title II of the Senate bill, to have hearings on that matter, to work it through the subcommittee and full committee and to be guided ultimately by the decision of the Committee on Interior and Insular Affairs.

We had those hearings, and we had the markup in the subcommittee. The bill passed in the full committee by a vote of 31 to 3. At that time, we laid that bill upon the table and agreed to go back to the conference. The House Members then receded to the Senate amendment, and we brought the matter here in the conference.

This title II will have little effect on any Indian claim, with the exception of docket 74(B), which is the Sioux claim for the Black Hills taking. The effect of the language in the Senate-passed bill and what we are now bringing before the House, and the conference, prevent the United States from deducting from the claim of the Sioux food, rations, and provisions which were provided to the Sioux Indians after the United States breached the treaty and took the land upon which they were residing. Among this land was the Black Hills area from which, incidentally, almost $2 billion has been removed in gold thus far, and confined them to a reservation. This required the food rations and provisions which are here in question.

In other words, in breaching that treaty, the Sioux were confined to a reservation where they could not hunt and could not practice their regular method of sustenance, and then they were told that they would accept food rationing and provisions. We are now attempting to charge them for that, in effect, by allowing that as a noffset against their claim for that taking.

Mr. CAMP. Mr. Speaker, I rise in support of this conference committee report. This has been given quite a lot of study this year by our committee and I think they worked out a very good situation for everyone concerned.

I would also recommend that the House accept the conference committee report.

Mr. MEEDS. I have no further requests for time.

Mr. REGULA. Mr. Speaker, I rise in support of the conference report on S. 3007, authorizing appropriations for the Indian Claims Commission for fiscal year 1975. The Committee on Interior and Insular Affairs, as part of its effort to maintain closer supervision over the Commission, comes to the House each year to authorize funds for the Commission's operations.

Congress established the Claims Commission in 1946 to hear and settle, for once and all time, all Indian tribal claims against the United States. These claims are legal and moral in nature and are, in general, for lands ceded by the tribes to the United States without compensation or with inadequate compensation.

Under the 1946 act, the Commission was required to complete its work within 10 years. However, the Commission was unable to meet that requirement, due to difficulties in researching 100-year-old claims, in establishing what amounted to "new law" and innumerable legal and bureaucratic delays. Four times the Congress has extended the time limit for a 5-year period. When it voted the last extension in 1972, Congress decreed that the life of the Commission will expire in 1977. Any unfinished business will at that time be transferred to the court of claims for completion.

To date, the Claims Commission has settled more than 400 of 611 claims and awarded judgments totaling nearly $550 million. Of the approximately 200 claims remaining, 60 are in various stages of appeal. In the court of hearings on this authorization the Commission reported that it expects to complete action on all remaining work by the 1977 deadline. The legislation before us is essential to continue the process of giving final resolution to these long standing Indian claims.

Mr. Speaker, S. 3007 includes language amending the Indian Claims Commission Act of 1946 to provide that the cost of any expenditures the United States made on behalf of an Indian claimant for food, rations or provisions cannot be offset against any award as a payment on the claim. Offsets of this type have been minimal, totaling less than $100,000 in the more than 250 judgments awarded. However, the 1946 act requires the Commission to allow these offsets in all cases in which such expenditures have been made. The Commission is thus bound, regardless of unique facts or circumstances which, in a few cases, would render the offset not only unfair but grossly unjust.

The Indian Affairs Subcommittee held thorough hearings on this amendment, and gave careful consideration to its effects on Indian claims already settled, still pending before the Commission or on appeal. After examining the facts and the equities involved, the subcommitee approved the amendment and the full Interior Committee, by a vote of 31 to 3, concurred.

I urge the Members to approve the conference report on S. 3007, as amended, in order to expedite the fair, equitable, and final settlement of all Indian claims.

Mr. MEEDS. 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.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

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

There was no objection.

PROVIDING FOR INDEMNIFICATION OF METROPOLITAN MUSEUM OF NEW YORK FOR LOSS OR DAMAGE SUFFERED BY OBJECTS IN EXHIBITION IN UNION OF SOVIET SOCIALIST REPUBLICS

Mr. HAYS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 236) to provide for the indemnification of the Metropolitan Museum of New York for loss or damage suffered by objects in exhibition in the Union of Soviet Socialist Republics.

The Clerk read the title of the Senate joint resolution.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if the gentleman will tell us about this.

Mr. HAYS. Mr. Speaker, I would be glad to explain this. This is a bill to allow the U.S. Government to insure, as the Government, actually, the art objects that are going on exhibition from the Metropolitan Museum to the Soviet Union. As the gentleman remembers, we discussed this in the committee. We could buy the insurance privately for $400,000. It could be Government funds. If this bill passes, the Government insures it, as the insurer, and chances are it costs nothing. In all of the exhibits we sent abroad before, the total loss has been under $25,000. So it is a choice of whether Government funds are used to buy private insurance, or whether the Government stands behind this and indemnifies the Metropolitan for its loss.

As the gentleman remembers, in the committee we also pointed out it would not all go in one plane or in one shipment. No more than $5 million would go on any one shipment.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Ohio (Mr. HAYS)?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, as sponsor of the bill under consideration, I rise in strong support of Senate Joint Resolution 236 as amended, to provide for the indemnification of the Metropolitan Museum of New York for loss or damage suffered by objects to be exhibited in the Union of Soviet Socialist Republics in 1975.

At the outset, Mr. Speaker, I want to pay tribute to the gentleman from Ohio (Mr. HAYS) who cosponsored this resolution with me and, as a member of the Committee on Foreign Affairs, worked diligently to insure that it received timely attention. And I wish also to thank the Senate sponsor of the bill, Senator CLAIBORNE PELL of Rhode Island.

Mr. Speaker, we all know that cultural exchange can be an expensive undertaking.

But when the Metropolitan Museum of Art agreed to participate in an exchange program with the Soviet Union, pursuant to an agreement signed in 1973 between former President Richard M. Nixon and Communist Party Chairman Brezhnev, the museum authorities did not anticipate that, in addition to the substantial costs normally involved in such an exchange, the cost of insuring its exhibit could run as high as $400,000.

Briefly, Mr. Speaker, the Soviet Union in April 1975 will send to the Metropolitan, and the Los Angeles County Museum, the finest exhibition ever mounted of their incomparable collection of gold and silver objects from the fifth century B.C. Scythian civilization.

In turn, the Metropolitan is planning to send to the Soviet Union 100 of its most important paintings from 16th to 19th century American and European artists. The value of these paintings is estimated to be $75 million.

But, Mr. Speaker, because of the enormous expense involved in insuring the Metropolitan's exhibit it appeared for a time that the museum would not be able to honor the commitment made between a former American President and the acknowledged leader of the Soviet Union.

Mr. Speaker, the bill cosponsored by the gentleman from Ohio and me would simply authorize the Secretary of State to conclude an agreement with the Metropolitan to indemnify the museum for any substantial loss, as defined by the Secretary, incurred to the museum's collection while in the Soviet Union or in transit to and from the U.S.S.R. and the museum.

The chances are great, Mr. Speaker, that the costs to the Government for this resolution will be nothing at all, for the Metropolitan limits the dollar value of any shipment of art on any single aircraft to $5 million to limit the possibility of a catastrophe.

And I must note also that Mr. Douglas Dillon, president of the Metropolitan Museum of Art, has written to advise me that:

> Damages and/or losses in major international exchanges of works of art—both in our own experience and that of major museums around the world of which we are aware—have never exceeded $25,000. This record has been made possible, in part, by the highest professional standards of security and handling of works of art.

Mr. Speaker, the risks involved are small and the potential for good will between the United States and the Soviet Union is huge.

If cultural exchanges are as important as we say they are, the Government should insure these works of art so that the forthcoming exhibit can do what we all want it to: Help improve our relations with the people of the Soviet Union.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 236

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State (or such officer of the Department of State as he may designate) is authorized to conclude an agreement with the Metropolitan Museum of Art, located in New York, New York, for indemnification of such museum, in accordance with the terms of such agreement, for loss or damage suffered by objects in an exhibition of such museum in the Union of Soviet Socialist Republics pursuant to an agreement between such museum and the Ministry of Culture of the Union of Soviet Socialist Republics, which agreement was made in accordance with the general agreement on contracts, exchanges, and cooperation, signed July 19, 1973, by the United States and the Union of Soviet Socialist Republics. The agreement concluded by the Secretary of State shall provide for such indemnification—

(1) during the period the works of art are in transit from the premises of said museum, on exhibition in the Union of Soviet Socialist Republics, and returning to said premises; and

(2) only for substantial loss or damage as determined by the Secretary of State.

In the case of a claim for loss or damage with respect to an item or items which are covered under such agreement, the Secretary shall certify the validity of the claim and the amount of the loss to the Speaker of the House of Representatives and the President of the Senate. There are authorized to be appropriated such sums as may be necessary to carry out an agreement concluded pursuant to this joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACCEPTING GIFT OF THE CENTENNIAL SAFE, EXPRESSING THANKS TO THE DONOR, AND AUTHORIZING DISPLAY IN THE CAPITOL

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from the further consideration of the concurrent resolution (H. Con. Res. 84) accepting the gift of the centennial safe and expressing the thanks of the Congress to the late donor, Mrs. Charles F. Deihm, and authorizing its display in the Capitol to create interest in the forthcoming Bicentennial, and ask for its immediate consideration.

The Clerk read the title of the concurrent resolution.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, what is it that is to be exhibited?

Mr. NEDZI. This is a safe obtained a century ago by Mrs. Charles F. Deihm of New York. The safe contains various mementos of the period. The formal acceptance of the safe will make possible its display during the Bicentennial celebration in 1976.

Mr. GROSS. Will that be in the rotunda or somewhere in the Capitol Building?

Mr. NEDZI. The Joint Committee on the Library will determine a suitable location and direct the Architect's placement of the safe.

Mr. GROSS. In the Capitol?

Mr. NEDZI. Yes.

Mr. GROSS. It is not suggested that it will absolutely require a new building, is it?

Mr. NEDZI. No. I can assure the gentleman that it will not require a new building.

There is some question as to who had title to this, and an heir of an individual who had custody of the safe's key has agreed to renounce all claims to the safe, if formal acceptance was made by the U.S. Congress. That is the purpose of this resolution.

Mr. GROSS. Gold was used in those days. Will there be any gold in this safe or valuables of any nature?

Mr. NEDZI. I do not think that anybody knows precisely what is in the safe. The key will be turned over, and the safe is to be opened in 1976 by the President.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

Mr. CASEY of Texas. Mr. Speaker, today we have the opportunity to correct a congressional oversight that has existed for 97 years by accepting the gift of a "centennial safe" containing valuable historical memorabilia dating back into the first century of our Nation.

As many of my colleagues will recall, we have sought the passage of a House joint resolution since the preceding Congress that would place us officially on record as accepting the safe as a gift from the late Mrs. Charles F. Deihm, of New York City.

I believe it especially important that we approve House Concurrent Resolution 84 today so that we can proceed with plans to include this large safe and its historic contents in the American Bicentennial celebration, for which plans are being rapidly developed.

At one time there were some legal questions concerning ownership of the safe, but those have now long been satisfactorily resolved and there is no reason for further delay.

For the benefit of those who are not familiar with the "centennial safe," let me give just a brief background.

Mrs. Deihm was a publisher in New York and a Civil War widow. She wanted to contribute to our Nation's Centennial Exposition that was held in Philadelphia in 1876. She purchased the huge, 5-foot-high safe and spent months collecting suitable artifacts to place inside it.

Among the contents are photographs and autographs of both famous and lesser known personalities of America's first century. There are newspapers, books, and a great many other items, such as silver, gold and mother-of-pearl pen and ink stands crafted by Tiffany's to autograph the huge volumes the safe contains, one presented by Henry Wadsworth Longfellow.

The safe was quite an attraction at the Centennial Exposition and the following year, in 1877, Mrs. Deihm made it a gift to Congress, to be kept and opened again at the Bicentennial. The safe's contents were sealed behind glass at a ceremony on February 22, 1879. Attending that event were President Rutherford B. Hayes, Vice President William A. Wheeler, Cabinet members, Mrs. Deihm, and a great many other national figures.

What happened to the safe after that time is somewhat sketchy.

We know that for almost three decades it was exposed to the elements as it sat under the East Portico of the Capitol. I found it a few years ago in a dingy storeroom in the Capitol basement, where apparently it had been forgotten for generations.

After an extended search before locating the key and combination, Mr. George M. White, our Capitol Architect, and I opened the outside iron doors of the safe in 1971 to be sure that the contents were still intact. Respecting Mrs. Deihm's wishes, we did not disturb the glass enclosure, which is still intact.

After thoroughly searching the records of Congress, however, we could find nothing to indicate that the Congress had ever acted to accept the gift. Somehow, Congress apparently just never got around to it and the safe was stored away and forgotten.

Now we have the chance to rectify that oversight by passing this resolution of formal acceptance and publicly expressing our thanks to Mrs. Deihm.

I am confident that we can find a suitable place for displaying it in the Capitol during our Bicentennial and that we can do all possible to carry out Mrs. Deihm's wishes, which are inscribed on the safe's doors as follows:

It is the wish of Mrs. Deihm that this safe may remain closed until July 4, 1976, then to be opened by the Chief Magistrate of the United States.

Mr. Speaker, I urge my colleagues to give unanimous consent to this resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 84

Whereas in 1877, Mrs. Charles F. Deihm of New York City, a publisher, a dedicated patriot, a Civil War widow (now deceased), presented to the Congress of the United States a safe, known as the centennial safe, filled with memorabilia linking the Nation's first centennial year (1876) with an expected bicentennial celebration in 1976;

Whereas the idea for this safe was conceived by Mrs. Deihm, who thereupon had the safe made and collected the memorabilia contained in said safe, for display at the 1876 Centennial Exposition in Philadelphia;

Whereas the said safe remained on display at the 1876 centennial until the close of that exposition, after which it was delivered in December 1877 to the United States Capitol;

Whereas the doors of this safe contain the inscription, "It is the wish of Mrs. Deihm that this safe may remain closed until July 4, 1976, then to be opened by the Chief Magistrate of the United States";

Whereas this safe has remained in the custody of the Congress of the United States since 1877, but has never been formally accepted by the Congress, or publicly displayed in the United States Capitol except for a short period in 1878–1879;

Whereas this safe and its contents are now deemed objects of historical interest, appropriate for acceptance and display by the Congress, particularly during the 1976 bicentennial celebration: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States hereby formally accepts with thanks, as a gift, the safe, known as the centennial safe, and its contents, presented to the Congress in 1877 by the late Mrs. Charles F. Deihm of New York City.

SEC. 2. The Architect of the Capitol, under the direction of the Joint Committee on the Library, is hereby authorized to cause the said centennial safe, with its contents, to be placed in such location in the United States Capitol as determined by the Joint Committee on the Library and to display the same to the public, with adequate security protection, during the 1976 bicentennial celebration and at such other times as the joint committee may deem proper or desirable.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

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

There was no objection.

PERMISSION FOR COMMITTEE ON APROPRIATIONS TO FILE REPORT ON HOUSE JOINT RESOLUTION 1163

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on House Joint Resolution 1163, continuing appropriations.

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

There was no objection.

4-H CLUBS IN OUR CITIES

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

Mr. WHITTEN. Mr. Speaker, I am proud to have been identified with 4-H Club work over the years, since I was a member in high school at Cascilla, Tallahatchie County, Miss.

For years, in the Congress, I have been chairman of the Appropriations Subcommittee which recommends funds for this most excellent program for training originally farm youth from which has come many of our greatest leaders.

Mr. Speaker, in recent years, I have deplored the fact that more and more of our people have gathered in our cities where many of the benefits of rural America have been lost, including membership in the 4-H Clubs.

For years, the Appropriations Subcommittee on Agriculture-Environmental and Consumer Protection, of which I am chairman, has actively promoted the 4-H program.

About 10 years ago we appropriated $7.5 million to promote 4-H type programs in our cities.

Mr. Speaker, I am sure many members will be equally interested in knowing that as of calendar year 1973 4-H Clubs had expanded to our cities, 30.6 percent were in towns of 10,000 or larger, with 8.3 percent being from cities of 50,000 or larger. These figures show that 4-H is truly a national program serving both urban and rural areas alike. I am especially proud of the role of my subcommittee and I believe our hearings through the years have fully proven that few Federal programs are more effective per dollar spent.

I am proud to be one of only eight persons to have received the 4-H Alumni Recognition Award. Of all the many awards I have been fortunate to receive since coming to Congress, there is none I value more highly.

Mr. Speaker, our subcommittee also sponsored the program for teaching nutrition in the low-income areas of our cities. 3.5 million people are estimated to have seen TV programs which get this vital information over to those who need it worse.

I take this time to call attention to an outstanding article in the Philadelphia Enquirer. The article tells of the changes in 4-H which have taken place in the last 10 years as Trappe Borough outside of Philadelphia has changed from a rural to a suburban county. In spite of an almost total change from rural to suburban, the Trappe Borough 4-H Club has been able not only to hold its own but to expand its membership from 20 to 33 members.

This is a success story which is being repeated throughout the Nation, and in these times when the public is hungering for good news I believe it deserves more recognition than it has received. That is why I was particularly pleased with this complimentary article in the Philadelphia Enquirer because it represents a recognition by one of our major metropolitan newspapers of the contributions being made in urban areas by the 4-H programs.

Mr. Speaker, while this heart-warming story of success may be unfamiliar to many urban residents, it comes as no surprise to me. One of my greatest senses of accomplishment since I have been in Congress has come from my associations with the 4-H Club program. The article follows:

[From the Philadelphia Enquirer, Oct. 13, 1974]

THE 4-H CLUB SHEDS BARNYARD IMAGE

(By Jack Hurst)

Ten years ago, the 4-H club of rural Trappe Borough in western Montgomery County fit its organization's hayseed national image.

The club consisted of 20 youths growing up in pastures, chickenyards and truck fields—and probably expecting to live forever in the pungency of piled cow manure.

But not any more.

Today Trappe is suburban, its roads paved and its pastures and fields hardly more than cattle pens and gardens interspersing homes and filling stations.

And its 4-H club no longer has a single member living on a working farm. But it has 33 members who don't.

"Most people have the mistaken impression that 4-H is just for farm kids—that is the battle we're always fighting," says Mrs. Midge Litchert, one of 15 adult leaders for Trappe's club.

"It certainly started with tomatoes and corn and chickens and pigs, but it isn't much of that anymore. Our club's projects relate much more to urban life than they do to the farm."

The national 4-H club, which is celebrating its annual "week" this week (Oct. 13-19), used to preoccupy itself with teaching farm kids how to manage agriculture-oriented "projects." Now it is following much of America's former farm population into suburbs and cities.

Whereas about 8 percent of 4-H involvement was located in suburbs and in cities of more than 50,000 in 1969, about 15 percent was located there in 1973. In Pennsylvania, only 20 percent of the active 4-H members live on working farms; 30 percent now live in urban or suburban areas of more than 10,000 population.

By gradually changing its base, 4-H has also swelled its membership.

A total of 5.3 million youngsters were involved in 4-H programs in 1973, as compared to 2.9 million a decade before. There are presently 82,000 members in Pennsylvania, nearly double the 42,000 in 1964.

A spokesman for the National 4-H Foundation in Washington agreed last week that rising concern over supermarket prices and the unavailability of agricultural products, along with the rapidly spreading practice of patio and backyard gardening in intensive-population areas, is helping the urban and suburban spread of 4-H clubs.

"We're continuing to move into the cities, although we've never made it our business to storm any particular area," the spokesman said.

"For instance, we have food and nutrition programs for low-income people, and in cities like Indianapolis we have clubs that have taken windowbox and highway median-strip gardening as projects."

4-H members range in age from eight to 19, and the clubs themselves are sponsored by the land-grant college extension services in the 50 states.

Most of the kids in it are in their preteens or early teens, and nearly two-thirds of them are girls, nationally and locally.

"I don't quite know why it is, but it has always been pretty much that way," says Mrs. Litchert.

HOME ECONOMICS

Whatever the reason for the female dominance (a dominance the national organization is continually trying to balance with new male membership) the 4-H club has always been associated with many home economics-styled projects.

These include sewing, the making of clothing, and cooking—even foreign and regional cooking.

The club also tries to be an active part of the community, staging a variety show at the Montgomery County Geriatric and Rehabilitation Center and conducting a paper-recycling drive every two months.

Socially, there are camping trips, biking hikes, a fair and banquet, and a trip to Gettysburg for all members of the Trappe club.

There weren't nearly so many different kinds of projects or activities when Mrs. Litchert was a member of the Trappe club 15 or 20 years ago.

"The roads around here weren't even paved then," she recalls.

BIGGEST CHANGE

The biggest change from those days, she says, is the wish of the members to actively participate in all of the work. They no longer contentedly sit and watch their leaders demonstrate and explain various projects.

The change in life-styles in the last 20 years has brought the 4-H clubs subtler problems, also.

The problem of gaining new members is different, for instance, than it used to be.

"We could get carloads of new members out of that development there," Mrs. Litchert said, pointing to a new subdivision across the street from a garage where she and some other leaders and members were constructing a 4-H Club Week sign.

"The problem with these new developments too many times is that the parents could not care less. If we asked them if their child could work with us a night or two a week, they'd say, 'You want to take my kid for a night or two? Great!'

"But that's not the kind of new members we need. 4-H has got to be a kind of family thing."

DEATH OF ROBERT KLEBERG, JR., DIRECTOR OF THE KING RANCH IN TEXAS

(Mr. DE LA GARZA asked and was given permission to address the House for 1

minute and to revise and extend his remarks and include extraneous matter.)

Mr. DE LA GARZA. Mr. Speaker, the 15th Congressional District of Texas lost one of its foremost citizens with the death of Robert Kleberg, Jr.—one of the world's eminent ranchers whose agricultural and civic enterprises stretched the world over—whose family has always called Kingsville home where they directly and indirectly have contributed to the growth of the area.

Virtually up to the time of his death, Mr. Kleberg maintained the most emphatic interest in civic affairs. He was knowledgeable in vast areas—and shared his knowledge with all who sought his guidance.

This morning the Washington Post carried a very complete obituary on this outstanding gentleman and while I commend it for the reading of everybody in this House, I also commend the legend of this man who was a giant in his own time. The obituary follows:

KING RANCH DIRECTOR ROBERT KLEBERG, JR., 78

KINGSVILLE, TEX., October 14.—Robert Kleberg Jr., who directed one of the world's great ranching empires, the historic King Ranch in Texas, died Sunday night in Houston after a long illness. He was 78.

The 914,000-acre King Ranch was formed as a family corporation in 1935. The King Ranch bought or acquired partnerships in ranches in Australia, Africa, South America, Florida, Pennsylvania and, more recently, two ranches totaling 17,800 acres in southern Spain.

Mr. Kleberg, president of the ranch, was credited with development of the Santa Gertrudis cattle breed, the only distinct U.S. cattle breed—a cross of Brahma cattle and Shorthorns. The Santa Gertrudis, able to withstand mosquitos and poor range conditions, and considered the biggest, heaviest and hardiest beef cattle to graze American ranges. They have been exported to ranches in 45 foreign countries.

Mr. Kleberg's father assumed operation of the ranch when its founder, Capt. Richard King, died in 1885. Mr. Kleberg married one of King's daughters and began his ranching career. When the elder Kleberg died in 1932 his son assumed the top post.

Three King Ranch horses, Assault, Bold Venture and Middleground, won the Kentucky Derby.

Directed by the younger Kleberg, the ranch, established a number of firsts for the cattle industry.

"I think it's true that the King Ranch is the first ranch that was put together and operated as we know ranches today," Mr. Kleberg once said. "That is all of its lands were used to produce cattle, and the cattle and their products were sold and distributed over a large part of the country."

Other firsts included a correct theory that ticks cause Texas fever, and construction of dipping vats to rid cattle of ticks; first to drill artesian wells in this area; first ranch to develop a range grass that will withstand heat and drought; and first ranch to experiment in phosphorous feeding.

After having stretched so much barbed wire over so vast an area, the King ranch was also first to abandon barbed wire for smooth wire.

Mr. Kleberg was noted for his interest in wildlife management and conservation, and did much to stock deer, turkey and other game throughout Texas.

He became a widower in 1963 and is survived by a daughter and six grandchildren.

TRIBUTE TO LEON JAWORSKI

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

Mr. CASEY of Texas. Mr. Speaker, this weekend we were notified by Mr. Leon Jaworski that he is resigning as special prosecutor of the cases stemming from the Watergate investigation.

Mr. Jaworski considers his work completed with the bringing to trial of principal defendants in the case. Knowing of his untiring efforts during the last year to bring Watergate to a full and just conclusion, I cannot dispute his decision.

I have known Leon Jaworski and called him my friend for many years, Mr. Speaker, and I believe that the way in which he has conducted himself in heading the Watergate investigation and prosecutions typifies the type of man he is: above reproach in his motivation, untiring in his efforts, unparalleled in his diligence and unquestionably fair in his manner.

For almost a year Mr. Jaworski has devoted his life to bringing the full facts of this case before the American people and to seeing that justice was done, not in an emotional sense, but through the fair application of our laws.

Mr. Jaworski assumed his position not because he sought it out, but because it sought him. The circumstances could not have been more trying. The very heart of our Nation's political system was in question. It was not just a question of men and their misdeeds, but of whether indeed there was equal justice for all men within the American application of the law.

We have seen the results, not only in our courtrooms, but placed before the American people in the newspapers and on radio and television.

Mr. Jaworski, I believe, has indeed restored to our people the confidence that no man is above the law and the faith that within our system there will be to every extent possible the same application of justice to the rich and powerful as to the poor and oppressed. I believe we will agree that any exceptions were beyond Mr. Jaworski's control.

The judicial leadership provided by Mr. Jaworski in the last year is not the first time that he has been called on to serve his nation in trying times, Mr. Speaker.

A native Texan, Mr. Jaworski began establishing himself as a giant of the legal profession as a youth, when he was graduated from the Baylor University School of Law at the age of 19 and earned a master's in law from George Washington University Law School at the age of 20.

In 1934, he joined the Houston law firm that was soon to bear his name—Fulbright, Crooker & Jaworski at the time he became special Watergate prosecutor—and quickly became known as a "lawyer's lawyer."

He volunteered for service in the Army Judge Advocate General Corps during World War II and rose rapidly to the rank of lieutenant colonel. At the end of the war, he was selected as the chief prosecutor of the first war crimes trials in the European theater, an assignment that brought worldwide attention to his abilities.

Since that time, he has repeatedly been called on by our nation's leaders to handle the most difficult, the most controversial and the most delicate cases of our time.

He represented the United States as a Special Assistant Attorney General at President Kennedy's designation in contempt proceedings against Mississippi Gov. Ross Barnett in 1963–65.

Mr. Jaworski was special counsel to the Texas attorney general in proceedings of the Warren Commission during its investigation of the assassination of President Kennedy.

He further served as a member of the President's Commission on Law Enforcement and Administration of Justice, 1965–67; as a member of the President's Commission on the Causes and Prevention of Violence, 1968–69; as the U.S. member of the Permanent Court of Arbitration at the Hague, 1965–69; as a member of the National Commission on Marine Science, Engineering, and Resources, 1967–69; and as a member of the International Center for Settlement of Investment Disputes, 1967–69.

His other contributions to the legal profession and to civic endeavors would take pages to list, Mr. Speaker.

Perhaps Mr. Jaworski's life could best be characterized by one remark he himself made to his fellow lawyers when he closed out his term as president of the American Bar Association in 1972:

> We must, each of us, exemplify in our own civic life the personal involvement and acceptance of public leadership that we would expect of all concerned citizens.

Mr. Speaker, Mr. Jaworski's performance during the last 11 months as Special Prosecutor of the Watergate case has been an example of service to country in the finest American tradition.

Certainly no man has done more to shed light in the darkness of an American political tragedy.

I do not believe any man could have done more to bring back the faith of our people to the principles on which our forefathers founded this Nation.

I know that my colleagues here today, and all Americans, will join me in saying to Leon Jaworski: "Our thanks again for a job well done."

The words seem like small payment for the personal sacrifices that have been made by this great American, but I know that his actions will be recorded by historians and looked back to with pride by future generations long after our words of gratitude today are forgotten.

CHICAGO'S 1974 COLUMBUS DAY PARADE

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

Mr. ANNUNZIO. Mr. Speaker, on Monday, October 14, the city of Chicago celebrated the discovery of America 482 years

ago by Christopher Columbus with a gigantic parade on our great street—State Street. Over 750,000 people viewed the parade which was televised over WGN for 1½ hours.

Our esteemed colleague, the distinguished chairman of the U.S. House of Representatives Judiciary Committee, Hon. PETER W. RODINO, JR., was guest of honor at the great event.

Each year, Chicago celebrates Columbus Day with a series of specially planned events culminating in the spectacular parade on State Street. The theme for this year's parade was "Italian Contributions to Medicine." The parade not only honored Christopher Columbus as father of all immigrants, but it also emphasized the spirit of achievement and combined efforts of all ethnic groups which have made our city and Nation great.

The voyage of Christopher Columbus marked one of history's most challenging and rewarding explorations. He opened this continent to the migration of settlers who created an enduring nation and the United States of America still carries forth his spirit of exploration as part of its national heritage.

Americans of the 20th century strive to follow the vision and unshakeable faith of Christopher Columbus by seeking to discover a "New World" of peace and cooperation.

Monday's Columbus Day celebration began with a Concelebrated Mass at Our Lady of Pompeii Church at 9 a.m., Auxiliary Bishop Alfred L. Abramowicz, D.D. presided; and the concelebrants included Rev. Msgr. Edward Pellicore; Rev. Paul J. Asciolla, C.S.; Rev. Angelo Calandra, C.S.; Rev. Lawrence Cozzi, C.S.; Rev. August Fecci, C.S.; Rev. Angelo Garbin; Rev. Leonard H. Mattei; and the homily was given by Rev. Gino Dalpiaz.

Special wreath-laying ceremonies took place at 11 a.m. at the Columbus Statue in Vernon Park, and at 3 p.m., following the parade, the Order of Sons of Italy in America laid a wreath at the Columbus Statue in Grant Park.

The main event of our celebration, Chicago's great Columbus Day Parade, began at 1 p.m. on State Street and some 60 floats depicting the theme of the parade along with 80 marching units participated. Authentic native costumes of Italy were worn by women and children in the parade, in addition to the various school bands, corps of marchers, and drum and bugle corps which also participated. Christopher Columbus, the father of all immigrants, was portrayed by Joe Livingston, 1121 North Karlov, in Chicago.

Chairman PETER RODINO, as the guest of honor, along with Hon. Richard J. Daley, mayor of Chicago; Hon. Dan Walker, Governor of Illinois; Rudolph Leone, parade grand marshal; Pasquale M. DeMarco, the parade's 1974 general chairman; Anthony J. Fornelli, honorary parade co-chairman; Dr. Alvaro V. Beltrani, Chicago's consul general of Italy; and many other political dignitaries, civic leaders, members of the judiciary, businessmen from the community, and labor leaders kicked off the parade.

Each year the Joint Civic Committee of Italian Americans, comprised of more than 40 Italo-American civic organizations in the Chicagoland area, sponsors the Columbus Day parade and other related activities. Many local groups cooperate with the Joint Civic Committee in this communitywide tribute to Columbus, and both Anthony Sorrentino, consultant, and Dr. Frank Pellegrini, executive director of the Joint Civic Committee of Italian Americans, have helped to coordinate the various activities for many years.

One of the highlights of Chicago's Columbus Day celebration is the selection of the queen of the parade. This year, Mary Jane De Rosa, 2817 North Moody, of Chicago, was chosen to reign as queen of the Columbus Day parade.

Judged on her beauty, poise, and personality, Mary Jane De Rosa, as winner of the Columbus Day Queen Contest, won a round trip to Italy from Alitalia Airlines, a round trip to Las Vegas, a trophy, a bouquet of roses, and $100 from Dr. DeMarco, the parade's general chairman. She will also make TV appearances on the "Louis Farina Show" and the "Mary Jane Hayes Program" in Chicago.

The members of the queen's court were Kathleen A. Ingallinera, 3452 North Nottingham, Chicago; Tina Spitzzeri, 845 North St. Louis, Chicago; Diane Lizzio, 5940 South Kolmar, Chicago; and Cara Mia Cipolla, 3220 Techny Road, Northbrook, Ill.

Judges for the final Columbus Day Queen Contest were Fred Mazzei, chairman; Hon. Philip Romiti, judge of Cook County Circuit Court; Hon. John D'Arco, Jr., Illinois State representative; Mr. Steve Fiorentino, assistant to the vice president of Banco di Roma; Miss Adrienne Levatino, research analyst; Mrs. Theresa Petrone; Mr. Carmen Fanzone, player for the Chicago Cubs; and Mr. Don Case, president of D.A.C. Enterprises.

A "Festa del Moda" was held this year on October 6. This is a fashion show held annually in conjunction with Columbus Day festivities. More than 150 persons participated in the show and wore traditional handmade costumes representing the culture native to various areas of the Italian peninsula. Dr. Mary Ellen Batinich, chairman, and her authentic Italian costumes subcommittee can be proud of their contribution to the success and beauty of our Columbus Day pageantry. Lawrence Spallitta and the float personnel subcommittee members can also be proud of their outstanding contribution to the parade. The list of committees follows:

COLUMBUS DAY PARADE COMMITTEE

GENERAL CHAIRMAN 1974

Pasquale M. DeMarco.

HONORARY PARADE CHAIRMAN

Congressman Frank Annunzio.

GRAND MARSHAL

Rudolph Leone.

HONORARY CHAIRMEN

Honorable Richard J. Daley.
Honorable Dan Walker.

HONORARY CO-CHAIRMEN

Anthony J. Fornelli, President.
Dr. James F. Greco, 1st Vice President.
James E. Coli, 2nd Vice President.
John C. Porcelli, 3rd Vice President.
Joseph Tolitano, 4th Vice President.
Jerome Zurla, 5th Vice President
Joseph DeLetto, Treasurer.
Charles Carosella, Secretary.

PAST PARADE CHAIRMEN

Martin Buccieri.
Dr. Mario O. Rubinelli.
Anthony Paterno.
Frank Annunzio.
Victor J. Failla.
Nello Ferrara.
Frank Armanetti.
Fred Bartoli.
*Arthur Pullano.
Anthony Bottalla.
Dominick Dimatteo.
James E. Coli.
Anthony Terlato.
Congressman Frank Annunzio.
John C. Porcelli.
Rudolph Leone.

SUBCOMMITTEES

Chaplain

Reverend Armando Pierini, C.S.

Television and radio sponsors

Anthony Paterno, Chairman.
Frank Armanetti.
Dominick DiMatteo.

Finance and souvenir book

Joseph DeLetto, Chairman.
Frank N. Catrambone, Sr., Co-Chairman.
Sam Cerniglia, Co-Chairman.
Mrs. Serafina Ferrara, Co-Chairman.
Mathew J. Alagna.
Anthony Apa.
Charles Carosella.
John D'Arco, Jr.
Joseph Fusco.
Peter Lavorata.
Marino Mazzei.
Michael R. Rosinia.
George Salerno.

Religious programs and organizations

Joseph DeSerto, Chairman.
Louis Moretti, Co-Chairman.
Michael R. Fortino.
Michael J. Mento.
John Spatuzza.

Bands, marchers and transportation

Louis H. Rago, Chairman.
Dr. James F. Greco, Chairman Emeritus.
Jordan Canzone.
Frank Bottigliero.
Hon. Lawrence Diprima.

Programs and arrangements

Domenick DiFrisco, Co-Chairman.
Louis Farina, Co-Chairman.
Dr. Joseph H. Dileonarde.
Jerome Zurla.
Anthony Sulla.
Father Paul Asciolla.

Queen contest

Fred Mazzei, Chairman.
Mrs. Josephine Bianco, Co-Chairman.
Anita Louise Bianco, Special Assistant.
Domenick DiFrisco, Advisor.
Sam Bruno, Photographer.
Joseph Alagna.
John Curielli.
Stephen Fiorentino.
Bob Gelsomino.
Nick LaPonte.
Joseph Lucania.
Anthony Morizzo.
Marie Palello.
Robert Napoli.
Jerome Zurla.

Business and professional

Carl DeMoon, Chairman.
Anthony Terlato, Co-Chairman.
Vincent Lucania, Co-Chairman.
Jack Cerone.
James L. Coli.
Dominic Chirchirillo.
Charles P. DeVito.
Dominick P. Dolci.
*Deceased.

Joseph Fontana.
Peter Ingraffia.
Albert Litterio.
Vincent Lupo.
Arthur Monaco.
Dr. Frank Motto.
Anthony Partipilo.
John Paterno.
Paul Paterno.
Anthony Pellicano.
Hon. Lawrence X. Pusateri.
Judge Philip Romiti.
Horatio Tocco.
Dr. Joseph P. Sirchio.
Peter Tatooles.
Amedo Yelmini.

Parade marshals

Marco DeStefano, Chairman.
Alex Batinich.
Louis Del Medico.
Ettore Divito.
Neil Francis.
Michael Palese.
Marshal Anthony Pilas.
Vito Siciliano.
Ronald Marra.
Peter Tatooles.
Frank J. Tomaso.

Floats

Tom Ardino, Chairman.
Sam J. Coco, Co-Chairman.
Edward S. Fusek.
Joseph Pope.
Joseph Rovetto.
Frank Vechiola.

Float personnel

Lawrence Spallitta, Chairman
Nick Bianco
Russell Bonadonna
Carl DeFranco
Stephen Fiorentino
Michael Galgano
Barbara Inendino
Joseph Pantaleo
Mrs. Mary Spallitta

Authentic Italian costumes

Dr. Mary Ellen (Mancina) Batinich, Chairman.
Mrs. Tena Amico, Co-Chairman.
Mrs. Maria DeSerto, Co-Chairman.
Mrs. Elena Frigoletti, Co-Chairman.
Mrs. Josephine Lavorata, Co-Chairman.
Mrs. Norma Battisti.
Mrs. Stella Boschelli.
Mrs. Gene Bruno.
Mrs. Mary Ann Cervi.
Mrs. Judith Guzaldo.
Miss Barbara Inendino.
Mrs. Ann Menconi.
Mrs. Ann Parisi.
Mrs. Marie Pedi
Mrs. Annette Salvatore.
Mrs. Mary Spallitta.
Mrs. Ange Tufano.
Mrs. Ann Yelmini.

Cusine and culture

Ann Sorrentino, Chairman.
Ann Yelmini, Co-Chairman.

Labor

James E. Coli, Chairman.
Thomas Sircusa.
Edward Coco.
John Serpico.
Angelo Fosco.
John Parise.
Joseph Spingola.

Public officials

Hon. Alexander Adduci, Co-Chairman.
Hon. Frank Belmonte, Co-Chairman.
Hon. Elmer Conti, Co-Chairman.
Hon. John D'Arco, Co-Chairman.
Hon. Louis Garippo, Co-Chairman.
Hon. Frank Giglio, Co-Chairman.
Hon. Anthony Laurino, Co-Chairman.
Hon. Vito Marzullo, Co-Chairman.
Hon. Lawrence Petta, Co-Chairman.
Hon. Paul Ross, Co-Chairman.

FEDERAL GRAND JURY—SWORD OR SHIELD?

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

Mr. EILBERG. Mr. Speaker, in ratifying the fifth amendment of the U.S. Constitution, our ancestors provided a uniform method for instituting criminal proceedings against persons who were believed to have committed crimes against the United States.

At the same time, our Founding Fathers clearly intended that Federal grand juries serve as a shield between the individual and the State in order to protect the citizenry from unwarranted or repressive prosecutions.

In a 1956 Supreme Court decision Justice Black summarized the historical development of grand juries as follows:

> The grand jury is an English instituton, brought to this country by the early colonists and incorporated in the Constitution by the Founders. There is every reason to believe that our constitutional grand jury was intended to operate substantially like its English progenitor. . . . It acquired an independence in England free from control by the Crown or judges. Its adoption in our Constitution as the sole method for preferring charges in serious criminal cases shows the high place it held as an instrument of justice.

The Members of the First Congress were keenly aware of the attempts by royal Governors to coerce indictments from colonial grand juries and as a result, they hastily approved the fifth amendment in an effort to protect individuals from the excesses of governmental prosecutors. Despite this background, the grand jury today has become almost exclusively a tool of the prosecutor, thereby no longer serving its traditional protective function. In view of this departure, I have proposed legislation—H.R. 8461—to substantially reform Federal grand juries as well as a constitutional amendment—House Joint Resolution 774—to abolish this institution in the event reform cannot be achieved.

In am inserting at this point in the RECORD the recommendations contained in a recent report entitled "Strengthening the Role of the Federal Grand Jury," which was jointly prepared by the following committees of the Association of the Bar of the City of New York: Committee on Civil Rights; Committee on Criminal Courts, Law and Procedure; and Committee on the Federal Courts.

Many of these recommendations are already embodied in my bill, H.R. 8461, and I am hopeful that hearings can be held on this important issues early in the next Congress.

The recommendations follow:

SUMMARY AND RECOMMENDATIONS

1. Congress should pass legislation which would strengthen the grand jury's independence, specifically requiring:

(a) that rules governing the grand juror's prerogatives be developed and contained within the court's instructions to the jurors.

(b) that the prosecutor should advise the grand jury of exculpatory evidence known to him.

(c) that a stenographic record be made of everything spoken in the grand jury room prior to deliberation.

2. The legislation should also increase the effectiveness of counsel for all witnesses testifying before the grand jury, by permitting the attorney to enter the grand jury chamber in order to advise his client but not, however, to act as an advocate therein.

3. The statute should provide that any person be permitted to testify before the grand jury if he so requests, unless the prosecutor and the grand jury believe his testimony to be without relevance to the inquiry.

4. In order to curb unauthorized disclosure of grand jury proceedings and of criminal investigations prior to such proceedings, the legislation should:

(a) authorize United States District Courts to appoint Special Attorneys in cases of improper disclosure of information. Special Attorneys would be empowered to investigate, to empanel special grand juries, and to prosecute the persons responsible for such disclosures.

(b) create criminal sanctions for unauthorized disclosures which cause substantial harm to the reputation of those involved or to the progress of an investigation, such as revelation of names of witnesses and of targets of the inquiry, and the subject matter presented to the grand jury.

(c) provide for injunctive relief prohibiting recurrence of disclosures.

(d) exclude from its prohibitions the exceptional cases where coverups of wrongdoing are involved.

5. The Bar should investigate and hold hearings where unauthorized information becomes public, whenever there is reason to believe that members of the Bar are involved, and should institute disciplinary proceedings wherever appropriate.

A TRIBUTE TO THE LATE PAUL G. HOFFMAN

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

Mr. MORGAN. Mr. Speaker, I wish to take this opportunity to join with my colleagues and with numerous citizens in this country and abroad in paying tribute to the late Paul G. Hoffman. Mr. Hoffman, who was often a witness before our Committee on Foreign Affairs, as well as an esteemed and valued friend of many Members of Congress, died in his sleep on October 8—after a long and successful career in business and public service.

To his widow—also a distinguished former official in her own right, the Honorable Anna Rosenberg Hoffman—and to all members of Mr. Hoffman's family, I extend my deepest sympathy.

The remarkable achievements of Paul Hoffman are well known and have been fully documented in newpaspers and publications throughout the world. Equally remarkable were some of the personal qualities of this outstanding servant of all mankind—his determination and humility, his vision, and his dedication to peaceful economic development, both at home and abroad. A devoted apostle of the free enterprise system, he recognized, as the Washington Post editorialized, that the system was viable "only to the extent that it genuinely served the interests of human freedom and responsibility."

Paul Hoffman was, in fact, a man always slightly ahead of his time: as archi-

tect of the postwar conversion of the U.S. economy from military to peaceful purposes; as administrator of the Marshall Plan in Europe; as president of the Ford Foundation; and finally—beginning at the age of 68—as managing director of the United Nations development program. He was, indeed, as a friend remarked "November in age, but March in spirit."

Above all, Paul Hoffman was among the first to recognize that the world we inhabit is an increasingly interdependent one—and that we cannot enjoy peace and prosperity at home amid turmoil abroad and the fatal disruption of the international order. His legacy is a record of accomplishment which will be hard to match in the decades ahead.

Mr. Speaker, I insert in the RECORD at this time two obituaries, from the Washington Post and New York Times, which document to some extent the life and works of the late Paul G. Hoffman, a distinguished American:

[From the New York Times, Oct. 9, 1974]

FREE AND UNAFRAID

Paul G. Hoffman was an exuberant exponent of all that is best in the American tradition. A highly successful salesman and corporate executive, he never lost sight of the reality that "free enterprise" was viable only to the extent that it genuinely served the interests of human freedom and social responsibility.

This conception of America's role illumed Mr. Hoffman's monumental achievements as administrator of the Marshall Plan after after World War II, the most ambitious program ever undertaken, by any victorious nation to rebuilt the shattered economies, hopes and spirits of war-devastated countries overseas.

He superintended the spending of $13 billion in European aid, with full knowledge that the greater, the success of his efforts, the more effectively the beneficiaries could compete with United States industry in the global struggle for markets. In the process he accomplished more than arms ever could to keep totalitarianism of left or right from triumphing on the ashes left by Hitler and Mussolini.

The same spirit marked his thirteen years as chief of development programs for the United Nations. The frustrations others had felt never tempered either his enthusiasm or his ability to infuse his hard-headed brand of endeavor into even the most stolid or obstructionist of his client states. The $3.4 billion in U.N. aid he distributed served as see money for vastly greater outlays in upbuilding underdeveloped nation and expanding opportunities for their people.

When the sterile anti-Communist virus of McCarthyism undermined the Bill of Rights in the nineteen-fifties, Mr. Hoffman stood unshaken in constancy to the real underpinnings of the American way. He moved from presidency of the Ford Foundation to chairmanship of its crusading Fund for the Republic. In a 1956 speech to an American Legion post, he summed up the funds purposes in a sentence that also summed up his life: "We are trying to help keep this Republic free and strong so that it can give a demonstration to all the world of a free and unafraid society at work."

[From the Washington Post, Oct. 9, 1974]

PAUL HOFFMAN DIES

(By Ferdinand Kuhn)

Few newcomers to official Washington ever won so much acclaim in so short a time as Paul G. Hoffman, the first administrator of U.S. foreign aid who died yesterday in New York at 83.

When he arrived here for his first government job early in 1948, he was a Republican businessman, president of the Studebaker Corporation, with the reputation of a super-salesman. When he left two and a half years later he had won the applause of Democrats and Republicans alike and of those often hardest to please: the career civil servants.

He "achieved great things," said the Democratic President, Harry Truman. He served his country "magnificently," said the Republican chairman of the Senate Foreign Relations Committee, Arthur H. Vandenberg. "Few men in history have left the mark that he did," was the comment, many years later, of W. Averell Harriman, his deputy in Europe and his successor. It was a chorus that sang in unison except a few discordant notes from the far right and far left.

Originally the President wanted Dean Acheson to direct the agency that would spend $17 billion in four years for Europe's recovery. Acheson had served as under secretary of State, and by 1948 was back in the private practice of law. But the Republicans then controlled Congress, and Republican leaders had another kind of administrator in mind. Senator Vandenberg, their spokesman, told Mr. Truman that Congress wanted a businessman from outside the government. Hoffman had been the first choice of at least half of more than a hundred businessmen who Vandenberg had canvassed. That settled it; the President gave in.

The new administrator took comparatively little part in setting the broad policies of the foreign aid effort. Those had been drawn in broad outline in the Marshall Plan and in the historic congressional debates that followed. Where Hoffman excelled was in organizing a new agency on a nonpartisan basis and in choosing able helpers.

His assistants saw little of him in the office, although he kept them briefed and consulted. Then, as always, foreign aid was unpopular. The life of the aid director was one of unending effort to sell an expensive and politically unattractive product. During 1949, his first full year in the job, Hoffman was out of his office all but about two hours of every working day, usually in committee rooms or antechambers on Capitol Hill.

Men and women who worked with Hoffman in the ECA—the Economic Cooperation Administration, as it was then called—still find lessons in his performance. If one asks them why Hoffman was such a success, they answer in this vein: "He never threw his weight around." "He tossed out ideas and didn't mind letting others pick them up and take the credit." "He never let power swell his head."

Where other businessmen felt out of their element in government jobs, Hoffman seemed to know his way. His brisk talk was usually low-keyed. His blue eyes kept a twinkle of humor in reserve, he faced many serious situations but never despaired. In a time of alarms and crises, some of them dangerous, he was a steadfast optimist.

His personal traits stayed the same to the end, but his mind grew and changed with the years. From the start of the Marshall Plan he took a deepening interest in the economic and social wellbeing of the rest of the world. He went on to head the Ford Foundation and the United Nations development program, broadening his ideas and the market for them.

Again and again in his Marshall Plan years he argued that spending billions to rebuild and revive Europe would be good for business as well as essential for America's survival. When some in Congress wanted special privileges for American business in return, Hoffman replied that the American aid program must never be used for this purpose. Repeatedly he contended that trade is a two-way street, thus standing against American protectionists who were afraid of foreign competition.

In September, 1950, Hoffman resigned, soon stepping into the presidency of the Ford Foundation. Here he could direct the spending of hundreds of millions free of congressional constraints. The Foundation attracted him for other reasons as well. It gave him a chance to sell his ideas with more freedom than before. But he was wrong.

* * * For the first and only time, Hoffman was not a success in a major undertaking. Exactly what happened, and why he left Ford after less than two years, was never publicly explained.

Dwight MacDonald, in a famous profile of the Ford Foundation in The New Yorker, suggested in 1955 that Hoffman had been too dangerous for the Ford trustees. For example, he recruited the always-controversial Robert M. Hutchins, formerly chancellor of the University of Chicago, as his deputy.

It was reported, although Ford spokesmen denied it, that the trustees wanted someone safer and more conventional as president. All Hoffman would say, with a wry smile, was that he and Ford were "incompatible." He seemed glad to be rid of the foundation job, and with his usual energy plunged into a variety of public causes.

One of his favorite causes of those days was named Dwight D. Eisenhower. Soon after Gen. Eisenhower had become president of Columbia University in 1948, the general asked a visitor, "How do we elect Paul Hoffman President of the United States?" Hoffman turned the compliment around. By 1951 he was in the front line of rich and prominent admirers who were urging the general to come home from NATO headquarters in Europe and run for President. The next year he helped round up convention delegates and raised money for the Eisenhower campaign. Only Ike, he said, could cut through "the smog of hate, fear and political amorality" in the United States.

When anyone talked of hate in those years he usually meant Senator Joseph McCarthy. Hoffman was one of the few Republicans to speak out against what he called McCarthy's "fantastically false" charges against Gen. George C. Marshall in the 1952 campaign. Late in 1953 Hoffman prodded President Eisenhower to counterattack. As Robert J. Donovan tells it in "Eisenhower: the Inside Story," based on access to the White House files, Hoffman "was urging him to let McCarthy have it with both barrels." Vice President Nixon and others advised him to hold back. Eisenhower, beset by conflicting advice, decided not to tangle with McCarthy: "I will not," he said, "get in the gutter with that guy."

Hoffman's stand against McCarthy brought frowns to many Republican faces. The displeasures of others seldom stopped him; he was independent-minded from his youth.

Paul Gray Hoffman was born in Chicago on April 26, 1891. His father, George Delos Hoffman, was an inventor who wanted his son to get a University of Chicago degree. Paul did enter that university, but stayed only a year. By 1911, when he would have been a junior in college, he was a salesman in the Studebaker branch in Los Angeles.

He climbed the corporate ladder fast. In 1915, at 24, he became sales manager of the Los Angeles branch: in the same year he married Dorothy Brown. She bore him six children, and they added a seventh as a ward. His children survive him. In 1925 he was already a vice president of Studebaker, and by the time he was 35, a year later, he had made a million dollars.

The Depression pushed Studebaker into bankruptcy in 1933. Within two years the company was on its feet again with capital that Hoffman had coaxed out of Wall Street, and with himself as president.

The start of World War II in Europe, and the war orders pouring into American factories, led Hoffman to think about the postwar future. How, he wondered, could the country keep full production and full employment when the war ended? "This is a problem for university scholars," he told Robert M. Hutchins, the university chancellor, and William Benton, the vice chancellor, in 1940.

According to Sidney Hyman, Benton's biographer, Hoffman argued that businessmen and scholars ought to pool their knowledge to solve the problem. This was the origin of a short-lived but influential group called the American Policy Committee, made up of fifteen or twenty thoughtful businessmen who were willing to give time to long-range public policy.

* * * He was sure there would be a vast postwar market at home and abroad—if businessmen could be persuaded to plan the conversion of their plants to peacetime uses. It was the CED more than anything else that brought Paul Hoffman to the attention of business leaders and before long, political leaders around the country.

Hoffman's mind had turned more and more to international affairs during his five years in government and at the Ford Foundation. In 1956 President Eisenhower called him back to public service by naming him a delegate to the UN General Assembly. This opened a new chapter in Hoffman's life.

It was a strange experience for him to have to listen not only to attacks on the United States by Soviet and Soviet-bloc delegates but also to the diatribes of Krishna Menon of India. He learned new lessons in when to be patient and when to talk back.

The Assembly taught him much, too, about the so-called Third World. He became convinced that government grants by themselves could not pull any country out of poverty. The UN experience led directly to Hoffman's appointment in 1959 as managing director of the UN Special Fund for economic development.

This was an agency in which he could sell his ideas and enthusiasms on a worldwide market. Applying lessons he had learned in the Ford Foundation, he regarded the Special Fund as "seed money." Hoffman liked to say that if the Special Fund spent, for example, $50 million a year on training and pilot projects, and if recipient governments put up $75 million, they would prepare the ground for at least a billion in private investment for profit.

Looking back over his career, Hoffman said the best part of it was at the United Nations. He ran a highly personalized operation at the Special Fund. His closest associates were men of his own choosing. The staff broke with UN secretariat habit and did not splinter into national or racial groups.

Again, as in his Marshall Plan days, Hoffman spent much of his time out of the office. Often he flew to Washington to induce lukewarm congressmen to vote the American share of the Fund. Most of his travels, however, took him overseas. In his first two years as managing director he appointed himself a traveling salesman for development, visiting sixty-eight countries, all outside Western Europe.

The Special Fund was merged in 1966 with the larger and longer-established UN Development Program. Now the bureaucracy of the UN secretariat hemmed Hoffman in. He was less effective than before, but he kept his unbureaucratic ways. Long after he was 70 he liked to walk, when he could, from his apartment to his twenty-ninth-floor office half a mile away.

If he ever lost his optimism during his 70s he never let the public know. He was "completely convinced," he said in 1969, "that we now have the technology to double world food supplies in the next ten to fifteen years." In 1961 his wife died after 46 years of marriage; the next year he married a dynamo named Anna M. Rosenberg, a former assistant secretary of defense. He had worked with her on labor-management problems during his CED days; he described her as "an old, old friend." She was with him at his death.

He kept his good health until about five years before his retirement at 80. He drank only occasionally, hated cocktail parties, had not smoked since his youth. He relaxed playing golf, bridge and gin rummy. But a broken leg and other ailments took their toll.

* * * * *

DAIRYLEA CO-OP FRAUD BEGINS TO UNRAVEL

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

Mr. KOCH. Mr. Speaker, the Dairylea case is beginning to open up. In this morning's mail, I received a letter from the Department of Agriculture's Director of Investigation, John V. Graziano. Mr. Graziano indicated that on September 25, 1974, the Department's general counsel recommended criminal prosecution of Dairylea officials to the Department of Justice on charges of false reporting and false recordkeeping. While it is discouraging that little was done by the Department of Agriculture on this case until the matter was exposed by the New York Times, it is encouraging that the Department has acted in response to some prodding.

Mr. Speaker, on September 25, 1974, I first alerted our colleagues to the large milk scandal in the State of New York. For 5½ years Dairylea Co-op, Inc., undetectedly adulterated milk that it sold to consumers. When the adulteration was finally detected by the State's inspectors, what can be described as only a modest fine was levied on the cooperative and no attempt was made to hold those responsible for perpetrating the fraud criminally liable. When questions were raised by the New York Times, the State agencies, one of which is headed by a former Dairylea official, ducked responsibility and tried to pass the buck to other agencies. Only after the New York Times story did the attorney general of the State of New York initiate grand jury proceedings which he advised me were to begin on October 10.

I still believe that we will not get to the bottom of this sordid milk mess unless and until the Federal Government involves itself. And for that reason I urged that the U.S. Department of Justice as well as the House Agriculture Committee begin their own independent investigations According to Mr. John V. Graziano of the U.S. Department of Agriculture: "The state plans no criminal action."

What is also important is that Mr. Graziano in his letter stated that:

> In the meantime, this Office is considering investigation of possible adverse effects of Dairylea irregularities upon other USDA programs in which dairy products are used.

I suspect that the Federal Government too was the victim of the fraud through its food purchase programs. In addition to determining whether this was the case, it also is important that the Department determine whether the Dairylea fraud is but the tip of the iceberg and being duplicated by other cooperatives in the country.

Further, I have written to Henry Petersen, Assistant Attorney General, enclosing a copy of the letter and specifically calling attention to the fact that the U.S. Department of Agriculture states:

> The matter now lies for consideration with the Criminal Division of the Department of Justice.

Mr. Speaker, this matter cannot be put to rest until those who committed the criminal fraud are brought to justice and I am pleased to report Mr. Speaker, that the Dairylea Co-Op, Inc., affair is beginning to unravel very much like Watergate. The truth will be out and justice will not be denied.

The letter from the U.S. Department of Agriculture and my letter to Assistant Attorney General Henry Petersen follow:

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C., October 11, 1974.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: The Secretary has requested that I respond to your September 25 letter concerning lack of criminal action against officers of the Dairylea Cooperative, Inc.

Following employee charges that Dairylea officials were illegally adding reconstituted milk to whole milk, audit and investigative activity was initiated by representatives of the New York State Milk Department of Agriculture, the Attorney General of New York, and enforcement representatives of the Agricultural Marketing Service, United States Department of Agriculture.

Their findings divulged improper practices, false reporting, false record keeping, and destruction of records. As a result, 33 Dairylea employees were removed from their positions, fines and injunctions were imposed by state civil action, and recoveries of $227,933 were received from the Cooperative. The state plans no criminal action.

On September 25, 1974, USDA General Counsel John A. Knebel wrote to the U.S. Department of Justice, citing various laws and regulations which had been violated, and recommending criminal prosecution of Dairylea officials on charges of false reporting and false record keeping. The matter now lies for consideration with the Criminal Division of the Department of Justice.

In the meantime, this Office is considering investigation of possible adverse effects of Dairylea irregularities upon other USDA programs in which dairy products are used.

We appreciate your interest in this matter.

Sincerely,

JOHN V. GRAZIANO,
Director, Office of Investigation.

HOUSE OF REPRESENTATIVES,
Washington, D.C., October 15, 1974.

HENRY E. PETERSEN,
Assistant Attorney General, Department of Justice, Washington, D.C.

DEAR MR. PETERSEN: I refer to our earlier correspondence on the Dairylea Coop Inc. I am enclosing a letter received today from the U.S. Department of Agriculture. That letter makes it clear that criminal prosecution is recommended by the Department and as it says, "The matter now lies for consideration with the Criminal Division of the Department of Justice."

I do hope this matter will be pursued vigorously and that the investigation is not limited solely to that of Dairylea and the

State of New York. It may well be that we have a national scandal requiring your Department's attention.

Sincerely,

EDWARD I. KOCH.

A TRIBUTE TO THE LATE HONORABLE FRANK KOWALSKI

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut (Mrs. GRASSO) is recognized for 15 minutes.

Mrs. GRASSO. Mr. Speaker, it is with the deepest sadness and regret that we mourn the passing of former Representative Frank Kowalski, a dedicated legislator and military man, a distinguished son of Connecticut, who has truly left his mark on the State he loved, the Nation he served and the world he helped to build.

Frank's great enthusiasm, his zest for life and dedication to hard work for the good of all, were an inspiration for all those who knew him, and whose lives he has touched. He had a great creative drive, a resourceful and boundlessly innovative approach to problems, a quickness of mind and resiliency of spirit that aided him in accomplishing the many tasks that serve as jewels in the crown of his career of service to the people.

Frank was born in Meriden, Conn. His bold determination and deep appreciation of education and learning led him to graduation from West Point in 1930, as well as through advanced academic training in the sciences and international relations at Massachusetts Institute of Technology and Columbia University.

He was a member of Gen. Dwight D. Eisenhower's staff in Europe during World War II, and after the war served with Gen. Douglas MacArthur in Japan, where he organized that country's defense forces and supervised political, social, and economic reforms. Even in far away Japan he retained his Connecticut ways, using our State's publication "Government in Connecticut" as a basis for instruction in democracy in Japanese schools.

Several years later Frank returned to the United States and as a colonel used his great organizational skill and energy to set up the first school for senior military officers in modern management practices. He was commandant of this Command Management School at Fort Belvoir when he left the Army.

Through his many years and travels as a distinguished Army officer Frank maintained a deep love and affection for his native Connecticut, and a respect and admiration for the solid roots of New England "town meeting" democracy that exemplify government in the State. It was only natural then that Frank Kowalski would return home to his native State and win an at-large seat in Congress in 1958.

Many of my colleagues will remember Frank for his great skill and knowledge in military affairs. He was an exemplary member of the House Armed Services Committee, a moving force in the establishment of the Manpower Utilization Subcommittee To Cut Military Manpower Waste. His great compassion and understanding of the human condition were reflected in his concern for senior citizens' medical care, aid to education, minimum wage legislation, and the control of nuclear arms.

Upon leaving the Congress, Frank was appointed to the Subversive Activities Control Board by President John F. Kennedy—serving honorably in this capacity for some 3 years.

Frank was a prolific writer, and an active amateur inventor. While in the Army he won the Legion of Merit with cluster and the Bronze Star.

Above all Frank Kowalski was a credit to his family, his State and his Nation. Often I had the opportunity to witness his greatness and often I marveled at his selfless and noble approach to life and to people.

He was a good and decent man, and will be sorely missed by all of us who knew and loved him.

I offer my condolences to his loving wife Helene, and to his family.

OPPOSITION TO $300 BILLION BUDGET TARGET EXPLAINED

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

Mr. STARK. Mr. Speaker, I voted against the resolution calling for a $300 billion budget target last week and want to explain why I could not support the position of my colleagues.

I do indeed believe that fiscal restraint is an important step in curtailing inflation. Moreover, much-needed cuts in the military budget as well as significant changes in Government support of the oil and gas industry could bring the Federal budget well below $300 billion.

But unfortunately, the process for reducing the expenditures is complex, and there is no guarantee that this resolution will accomplish its stated purpose. It might have the effect of cutting significant amounts of Federal spending, but if these cuts only further increase unemployment, they will have only worsened the state of the economy. The goal must not be just to cut anywhere, regardless of the cut. Certain reductions will only add to our recession, while cuts in military spending will be much more anti-inflationary. Similarly, tax reform of the right sort would not only increase Treasury revenues, but would place the added burden on those who can afford it, rather than on our Nation's poor and overburdened middle-income families.

Therefore, I reluctantly voted against the resolution. As long as President Ford refuses to face up to the stringent measures that are needed, this resolution can have little positive impact on our economy.

AN UNWISE U.N. MOVE

(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 Christian Science Monitor on Wednesday, October 2, editorialized in a straightforward and realistic way about the unwise action of the United Nations in rejecting the credentials of the South African Delegation. It is a clear statement of fact and I am pleased to call it to the attention of Members of Congress by submitting it for the RECORD.

AN UNWISE UN MOVE

It is regrettable that the United Nations General Assembly has rejected the credentials of the South African delegation and called on the Security Council to review the relationship of South Africa and the UN. This action, propelled by the African nations, flouts what should be a cardinal principle of the UN—universal membership.

We appreciate the negative vote cast by the U.S., Britain, and others. To try to ostracize a nation from the UN because of its internal policies is counterproductive. Indeed such an approach is untenable and inconsistent. What about the Soviet Union, China, and other totalitarian states that do not abide by the UN Declaration of Human Rights? What about the United States, which, embarrassingly still is in violation of the UN sanctions against Rhodesia?

The Assembly's action could start a chaotic ball rolling. It is conceivable, for instance, that Israel could be the next target on grounds of not implementing the UN resolutions on withdrawal from Arab territories.

If the UN Assembly has any meaning at all, it is that nations of the world convene in a single forum to discuss and debate, harangue and holler, despite their disparate political systems and views. It has no authority to apply force or compel compliance with its votes. But its members, through consensus, can exert a certain moral pressure.

More such pressure can be brought to bear against white-ruled South Africa by keeping it within the UN fold than by trying to drum it out.

The Assembly vote will not alter repressive racial policies in Pretoria. It only reinforces the views of those in Congress and elsewhere who look at the UN with unenthusiastic eye. And, if the issue is taken up by the Security Council, it might put the U.S. in the awkward position of having to veto an expulsion resolution and thereby aligning itself with South Africa against the third-world nations.

The UN move is all the more unwise this year because for the first time South Africa's delegation has nonwhite members, including the head of the black government of Transkai, an Indian, and a colored. Some may argue these are but token appointments, but the fact remains that Transkei leader Kaiser Matanzima is proving to be a more independent and effective black leader than was thought possible.

The future of South Africa is fraught with uncertainty and all African states have a legitimate cncern about what happens there. But it serves no useful purpose to unseat South African delegates to the UN.

TO THE MEMORY OF ROSS MARLER

(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, good citizens are always appreciated, and outstanding citizenship is to be held at a premium. A good friend, a widely respected and loved community leader, as well as an outstanding citizen, was Ross Marler, of Destin, Fla. The memory of his good works lives on.

Radio Station WFTW, on September 18, editorialized on Mr. Marler's good

work and high standing in the community, and there were additional comments in the "Destin Weekly Log."

Because of my personal appreciation and friendship for Ross Marler, I am happy to submit these for reprinting in the CONGRESSIONAL RECORD:

[WFTW Radio Editorial]

ON ROSS MARLER

Seldom is one person so universally loved and respected by all who knew him as was Ross Clinton Marler of Destin.

We say Destin, because that was where he lived and worked for the final years of his life, but he was just as much a citizen of Ft. Walton Beach and all Okaloosa County.

Ross was a member of the pioneer family of Marlers who have done so much to make Destin what it is today. He was a master mariner, which means that he was licensed to command any ocean vessel, regardless of size or type.

Although his primary occupation was as a member of the Army Corps of Engineers, he also served in the U.S. Navy, retiring on disability as a commander in 1954. He served as Destin postmaster from 1962 to 1972 when he retired for good with 33 years of honorable government service.

But Mr. Marler never retired from active community and civic work. He was the first elected president of the Ft. Walton Beach Rotary Club, President of the Destin Chamber of Commerce for two years and a director for five years, served as vice chairman of the Okaloosa Island Authority, and on too many other committees and civic projects to mention.

Ross Marler will always be remembered for his sense of fairness and compromise, and for his keen wit and good humor. As an example, he referred to a tourist as being "more valuable than a bale of cotton and twice as easy to pick".

It is extremely doubtful that Ross Marler ever had an enemy, for, even in disagreement, he was honorable, kind, and gentle. For his many contributions to his fellow man, WFTW takes great pride in presenting him posthumously with its Good Citizenship Award.

[From Destin Weekly Log]

GOOD CITIZENSHIP AWARD GOES TO THE LATE ROSS MARLER

WFTW radio presented Mrs. Ross Marler with a Good Citizenship award last week during their morning programming. The award was presented posthumously to the late Ross Clinton Marler and accepted by Nell Marler on the show.

The management, in bestowing the honor, said "It is extremely doubtful that Ross Marler had an enemy, for even in disagreement, he was honorable, kind and gentle." For his many contributions to his fellow man, the late Ross Marler was honored.

"Seldom is one person so universally loved and respected by all who knew him," the presentation speech said.

Ross was a member of the pioneer family of Marlers who have done so much to make Destin what it is today. He was a master mariner, which means that he was licensed to command any ocean vessel, regardless of size or type.

Although his primary occupation was as a member of the Army Corps of Engineers, he also served in the U.S. Navy, retiring on disability as a commander in 1954. He served as Destin postmaster from 1962 to 1972 when he retired with 33 years of honorable government service.

But Ross Marler never retired from active community and civic work. He was the first elected president of the Fort Walton Beach Rotary, President of the Destin Chamber of Commerce and a director for five years; served as vice-chairman of the Okaloosa Island Authority, and on many other committees and civic projects.

Ross Marler will always be remembered for his sense of fairness and compromise and for his keen wit and good humor. As an example, he referred to a tourist as being "more valuable than a bale of cotton and twice as easy to pick."

It was with this review of his background and enumeration of Ross Marler's attributes that the Good Citizenship award was presented by the radio station to Mrs. Nell Marler of Destin in honor of her late husband.

WHAT IS FORD'S ECONOMIC POSITION?

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, on Wednesday the President held a news conference to explain in greater detail some of the specifics of the economic program to fight inflation which he presented to the Congress on Tuesday. Unfortunately, on Thursday the White House was forced to make a series of corrections and clarifications which to say the least rendered much of the press conference inoperative.

On Wednesday, Mr. Ford said he favored phasing out the depletion allowance—on Thursday the White House said he favors retention of this "big oil" tax break until the price of oil is freed of controls; on Wednesday the President said that only 28 percent of U.S. taxpayers would be subject to the surtax—on Thursday the White House admitted it would affect many more taxpayers than represented by the 28 percent figure; on Tuesday the President told the Congress that by 1980 he would like to phase out oil-fired electrical generating plants—on Thursday it was learned that what the administration had in mind was to eliminate enough oil-powered generating plants to save a million barrels of oil a day by 1980 by replacing them with nuclear plants.

It appears that the Ford administration is confused about its economic policies, and this is unfortunate because it will tend to undermine whatever remaining confidence the American people have in the ability of the Federal Government to extricate us from the present economic morass.

I include herewith two articles from today's Wall Street Journal on the subject:

WHITE HOUSE ISSUES SLEW OF CORRECTIONS MAKING COMMENTS OF FORD INOPERATIVE

WASHINGTON.—President Ford, it turns out, didn't really intend to say a lot of things he seemed to say at his press conference Wednesday.

In a day of embarrassing corrections and "clarifications," the White House, in effect, conceded Mr. Ford was wrong when he said:

That he favors phasing out the domestic oil-depletion allowance. Actually, the President favors retention of this tax break for oil producers, presidential spokesman Ron Nessen said yesterday, at least until the government ends its price controls on oil. Mr. Ford does want to end the depletion allowance on foreign production, which is little used and relatively insignificant.

That his proposed 5% surtax would affect about 28% of all taxpayers. What the President meant to say was that it will affect about 28% of all personal tax returns. As many returns are joint returns, this is considerably more than 28% of all taxpayers.

It was a day that reminded some observers of a problem Mr. Ford used to have as a Congressman on Capitol Hill—where a Ford statement of one day would sometimes be followed by a Ford clarification the next. But Mr. Nessen argued manfully that Mr. Ford had neither misspoken himself Wednesday nor "changed his mind overnight." He did concede that "the President was perhaps imprecise" Wednesday and wanted to correct any "questions" that he may have left in his listeners' minds.

Mr. Ford certainly didn't intend to give "aid and comfort" to those who are violently protesting school desegregation in South Boston when he said that he personally disagrees with the court decision that led to the desegregation effort. Massachusetts Senators Edward Kennedy and Edward Brooke have protested that Mr. Ford's comment merely adds fuel to the fire. And Boston's mayor, Kevin White, accused him of "taunting" the city into "becoming another Little Rock." Mr. Nessen called reporters' attention to other parts of Mr. Ford's remarks that deplored the Boston violence.

An administration "fact sheet" given reporters Tuesday to explain Mr. Ford's economic package contained some less-than-accurate figures on the amount of surtax that wage-earners of various incomes would have to pay. Mr. Nessen then read off the "accurate" figures (which were given in yesterday's edition).

One presidential remark the White House didn't retract was Mr. Ford's statement Tuesday that the U.S. isn't in a recession. But unfortunately for the White House, Federal Reserve Board Chairman Arthur Burns testified on Capitol Hill yesterday that the current situation certainly looks like a recession to him, although an "unusual" kind of recession.

In still another embarrassing development, the administration had to point out that part of Mr. Ford's economic speech outlining plans to cut oil imports by converting oil-fired electrical generating plants to coal drastically overstated the much more modest effort that administration experts really had in mind. (See story on back page.) Apparently White House speechwriters garbled a plan drawn up in the Treasury.

And, to top it all off, experts at the Federal Energy Administration conceded they were stunned by Mr. Ford's pledge to improve automobile mileage 40 percent in four years. They're still trying to persuade auto makers to agree to 30 percent over six years.

It all added up to a bad day for a young administration striving to overcome an impression, which seems to be growing daily in official Washington, that it mightn't be quite on top of things. And all the clarifications and corrections tended to undercut the effectiveness of the frequent press conferences President Ford has held to demonstrate the openness and candor of his administration.

In explaining Mr. Ford's true position on the depletion allowance, Mr. Nessen put it this way:

"As long as the price of oil continues to be controlled, the President believes that the elimination of the percentage depletion on domestic oil production would be a mistake. The President feels that oil should be sold on a free-market basis and he thinks that many oil producers would be glad to trade the percentage depletion in order to achieve the important result of a free market for oil. As for the foreign oil depletion allowance,

the President believes that should be phased out immediately and finally."

As the depletion allowance stands, 22 percent of the gross income from petroleum properties may be deducted from taxable income, with a ceiling of 50 percent of taxable income.

Legislation pending before the House Ways and Means Committee would phase out the allowance for both domestic and foreign oil. In his press conference Wednesday, the President said this legislative package contains some things he likes and some he doesn't like, but that he was prepared to accept the package. Asked if this meant he favors the depletion phaseout as part of the package, he replied: "The answer is yes."

As it turns out, the actual White House position on the package seems to be as follows:

The President would like to see price controls ended, as a way to encourage increased production. But if controls are removed, there should be a "windfall-profits" tax on oil to discourage companies from running the price up. With these two things accomplished, the White House would be willing to end the depletion allowance, but not before. If the package that ultimately emerges from Congress ends the allowance and continues controls, the President still might sign it to get the features he considers desirable. But then he mightn't, officials indicated.

The House Ways and Means Committee bill would establish a windfall-profits tax on oil as well as ending the depletion allowance. But decontrol isn't likely to become part of this bill and would have to be passed separately.

The White House clearly hopes to modify the package, which, as Mr. Nessen noted, "is a long way from its final form."

In other developments yesterday, Mr. Nessen was asked if the President would expect corporations to refrain from simply passing along to consumers the 5% surtax Mr. Ford wants them to pay. Mr. Nessen said he'd have to check Mr. Ford on that.

In a memorandum to his Cabinet heads, Mr. Ford acknowledged that the administration still hasn't decided where to make all the about $5 billion in budget cuts it must make to meet Mr. Ford's goal of a $300 billion budget for the current fiscal year, which ends next June 30. The President said cuts proposed so far are insufficient and he urged the Cabinet to get cracking.

UNREALISTIC GOAL?—FORD BID TO END OIL USE IN POWER PLANTS IS MET WITH SKEPTICISM BY THE INDUSTRY

(By David Brand and Sanford J. Jacobs)

Most industry and even many government officials are skeptical of the feasibility of President Ford's announced goal of eliminating oil as a fuel in the nation's largest power plants by 1980. In fact, some experts are saying it will be impossible.

The reason is that the oil will probably have to be replaced by coal and that coal production in this country is currently lagging by millions of tons a year. Coal is also facing costly environmental problems that may take years to solve. Nuclear energy, the only other alternative, is expected to be of little help in meeting the goal because financing problems have forced utilities to defer construction of 15 nuclear plants.

The skepticism may be partly due to bewilderment over the exact nature of the President's goal. In his economic message to a joint session of Congress on Tuesday, the President said, "I propose that we, together, set a target date of 1980 for eliminating oil-fired plants from the nation's base-loaded electrical capacity." Because oil accounts for nearly 20% of this capacity, replacement with another fuel in just over five years would be a physical impossibility, energy experts say.

What the President actually meant, according to energy planners at the U.S. Treasury, who helped formulate the details of the message, was to set a goal of phasing out enough oil-fired plants to save a million barrels of oil a day by 1980 and replacing the oil with coal or nuclear power. "The language of the speech maybe wasn't clear," concedes Gerald Parsky, an assistant treasury secretary.

However, even this goal may be unattainable. An energy planner at the Federal Power Commission says, "We don't think it can be accomplished unless there's tremendous conservation of electricity usage." After a quick study of the so-called fact sheet given up to back up the President's message, this EPC expert remarked: "Obviously someone's had a temporary loss of logic."

Gordon Hurlburt, president of Westinghouse Electric Corp.'s power system division, says that if ways can be found of bringing the deferred nuclear plants back on schedule, these could replace some of the oil-fired plants. The rest would have to be replaced with coal, which, says Mr. Hurlbert "isn't realistic."

IMPORTANCE OF COAL

Officials at the Treasury's energy-policy office agree that "coal will have to bear the brunt of the shift." In fact they calculate it will take 90 million tons of coal a year to save a million barrels of oil a day in large power plants.

Last year, U.S. coal production amounted to about 592 million tons, 12 million tons less than needed. Utilities made up the deficit from their stockpiles, estimated to contain 105 million tons currently. This year the FPC estimates that the deficit will be 10 million tons.

Treasury officials point to calculations by the Project Independence coal task force that it is feasible to double domestic coal production by 1985. However, FPC and Bureau of Mines experts say this is practically impossible because of problems of obtaining equipment to open new mines and the insufficiency of railroads to carry coal. The current hopper-car shortage has forced some mines to scale down production, an FPC official notes.

The burning of coal also raises numerous environmental problems, chiefly the control of health-damaging sulphur-dioxide emissions from smokestacks. This requires the use of costly scrubbing equipment because sufficient low-sulphur coal isn't available in this country unless vast areas of Western lands are to be strip-mined. Some utility scientists even doubt that scrubbers are feasible on large coal-fired plants.

The President's oil-saving goal is aimed only at those power stations that represent the bulk of the nation's generating capacity, the so-called base load. These plants, the newest and largest of the nation's power plants, generate electricity 24 hours a day. Older plants are fired up only when power demands warrant.

HALF AND HALF

About half the oil-burning plants in the base load were originally built to burn coal and were converted to oil to meet air-purity regulations. An FPC official says that these plants could be converted back to coal. The other half can only be switched to coal by replacing the boilers, he adds, and that is "damned expensive."

Treasury officials concede that simply converting half the oil-fired plants back to coal wouldn't meet the million-barrel-a-day savings goal. Some would also have to have new boilers installed. They calculate that the cost of converting plants to coal to save only 750,000 barrels of oil a day would be $160 million—a figure that Douglas McCullough, director of the Treasury's energy-policy office, says is "maybe too low."

Consumers, he says, will have to pay for the conversion costs in rate increases.

Mr. McCullough concedes that little thought was given to replacing the oil-fired plants with nuclear stations by bringing some or all of the deferred nuclear plants back on schedule. The 15 plants were all due to go into operation in 1980, but recently money shortages have forced the 10 utilities that are building the plants to defer their construction for one to two years.

James Connor, an Atomic Energy Commission official, says that if these plants could be speeded up again, perhaps half the President's oil-saving goal could be met. But first, says Howard Winterson, a vice president of Combustion Engineering Inc., the utilities must have help in meeting their credit problems. "The President didn't get into that at all, which dumbfounded me, frankly, because money is the root of this problem," he says.

ENVIRONMENTAL LEGISLATION

Mr. Winterson doubts that nuclear power can make a substantial dent in the oil-burning plant capacity in the near future. But Mr. Hurlbert at Westinghouse is more optimistic. If the delays now holding up construction of new plants, from licensing problems to environmental opposition, could be ended, he says, nuclear power could replace the entire oil-fired base load by 1985.

There are hints that utilities may push to burn more coal by seeking repeal of environmental legislation. The use of scrubbers on all new coal-fired plants becomes mandatory under a federal law that takes effect next year. Floyd Lewis, president of Middle South Utilities Inc., told a gathering of analysts in New York the day after the President's speech: "I expect we can use this (the President's oil-saving goal) to our advantage. It's an opportunity to get environmental roadblocks to burning coal removed."

Environmental problems clearly haven't hampered the use of coal in Europe. A Common Market report notes that most power stations now being built in Europe use coal and that older plants are being converted to coal. The exception is France, which has become the first nation to depend solely on nuclear power for all future generating capacity.

THE INDIVIDUAL AMERICAN CAN ACT TO CHECK INFLATION

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, the National League of Postmasters of the United States has recently concluded its 71st annual convention in Hollywood in my State of Florida. Something took place in the assembly of this venerable body which has an importance to every citizen of this Nation.

Inflation is the headline of the hour; but the postmasters asked a question to the point: "What can I as an American citizen do myself to check the inflationary spiral?"

To that question and by a special order and suspension of the rules, the convention addressed itself. The proposal was made by Postmaster L. J. Gaughen, of North Bend, Nebr.

The question is a short one: "What can I do?" The answer is contained in a single word: "Save!"

Here is the resolution which Postmaster Gaughen submitted to a cheering body of delegates in the Diplomat Hotel:

RESOLUTION

Whereas: Inflation is eroding the economic stability of our nation; and

Whereas: The National League of Postmasters of the United States realizes the importance of stemming this cycle of runaway inflation; Now therefore be it

Resolved: That the National League of Postmasters of the United States assembled in its 71st annual convention, asks every Postmaster who has less than a $50.00 U.S. Savings Bond deduction made from his or her bi-weekly salary check to increase such deductions by double this amount or more or to allot a similar amount on a regular basis to a Savings & Loan association or other financial institution; and be it further

Resolved: That the National League of Postmasters of the United States solicit the cooperation of all postal organizations and craft unions in carrying out this resolution for the welfare of the country.

Mr. Speaker, what can one American postmaster do? What can 700,000 postal employees do? They can help the Nation and help their own future.

I commend the National League of Postmasters of the United States and hope that its program has widespread acceptance.

There is something that every American can do. What? Save!

"ARE PUBLIC UNIONS SECOND-CLASS CITIZENS?"

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, in the February 1974 issue of the Florida Bar Journal the Honorable Albert E. Harum, professor of business law at the University of Miami, wrote an article on the very important and sensitive subject, "Are Public Unions Second-Class Citizens?" Professor Harum has had a distinguished career in journalism, in the law, and as a professor. He has been a member of the American Newspaper Guild and of the International Typographical Union. He later was publisher of the Coral Gable Times. He holds B.B.A. and LL.B. degrees from the University of Miami and earned the LL.M. and J.S.D. as a Ford Foundation fellow at New York University. For many years he has been professor of business law at the University of Miami and has written many articles for important legal publications on challenging subjects in the law.

Mr. Harum is also an able and distinguished lawyer who for many years in his spare time has been associated with my law office.

There is lively interest today in the subject of Professor Harum's article; namely, whether unions of public employees should have the same rights as private unions and what the status of unions of public employees is before the law today. I commend Professor Harum's thorough article to my colleagues and to all those interested in this challenging subject.

Mr. Speaker, I include Professor Harum's article to appear in the body of the RECORD at this point:

ARE PUBLIC UNIONS SECOND CLASS CITIZENS?

YES: LEGAL WARFARE CONTINUES AS THEY STRUGGLE FOR BONA FIDE COLLECTIVE NEGOTIATIONS

(By Albert E. Harum)

Public sector unions in Florida are engaged in a bitter struggle to rise above "second class" status, with the Florida Supreme Court on the one hand virtually ordering the legislature to establish collective bargaining guidelines, and the legislature on the other hand failing to meet the task.

As far back as 1969, the court held that "public employees have the same rights of collective bargaining as are granted private employees" (citing Article 1, Section 6 of the Florida Constitution) and buttressed this position in 1972 by warning the legislature that inaction would leave the court "no choice but to fashion such guidelines by judicial decree." The 1969 pronouncement came down in *Dade County Classroom Teachers' Association Inc.* v. *Ryan* (225 So. 2d 903). The teachers sought to force the issue in the second suit making the legislature defendant (Case No. 42,323).

To date, the impasse is not resolved, though the DCTA is still engaged in legal warfare both in Miami and Tallahassee to secure "bona fide collective negotiations." Court-appointed mediators are conferring in Miami and stipulations in Tallahassee appear to have placed the matter in suspended animation without prejudice to the unions.

While private sector unions cling to the hard-won right to strike as the ultimate weapon in collective bargaining, the government workers, long deprived of this device by both common law and statute, are invoking the "job action" or *de facto* strike, and news reports bespeak its effectiveness. This infant prodigy stands neither on ceremony nor on precedent. Government unions may not negotiate on wages—but they do! They mustn't strike—but, in fact, they do!

The Bureau of Labor Statistics verifies this phenomenon. Not only wage talks but even discussion of agency operations and functions are now common occurrences. Government strikes over the period 1958 to 1968 rose from 15 to 254, workers involved from 1,700 to 202,000, and man-days of idleness increased from 2.6 in the 1958–64 period to 9.8 days in the 1965–68 period. Wages, hitherto a forbidden area of negotiation in the public sector, caused 61 percent of job actions in the 1966–68 period and involved 73 percent of all government workers engaged in work stoppages. The Department of Labor estimates an increase in public employment by almost 50 percent in the years 1960–75. Only 37 percent increase is projected for all employment.

YES: PUBLIC EMPLOYEE UNIONS TAKE THE POSITION THAT THERE CAN BE NO GENUINE COLLECTIVE BARGAINING WITHOUT THE RIGHT TO STRIKE

Second class citizens

These are the factual ingredients of the problem. Philosophically, the problem is even graver. Public employee unions, militant and increasingly powerful because of burgeoning membership, take the position that there can be no genuine collective bargaining without the right to strike. They claim that depriving them of this right by legal bans makes them "second class citizens" in the labor movement. The trade union in the private sector, they argue, "bargains" because it has something to withhold if no agreement is reached. The public employee union only "negotiates" because it has been deprived of the ultimate bargaining tool. When all strikes are barred, they claim, joint determination is out.

The positions on both sides of this vital question are clear. Against giving the right to strike are those who look upon government employment as a "calling," a trusteeship, an idealistic, almost religious, commitment to public service, sheltered by Civil Service Commissions who confer perquisites and benefits such as promotions, retirement and pension plans and tenure programs. The tradition of dedicated service, they contend, should not be interrupted lest government functions be undermined. They remind government employees that they are working for sovereignty, which is an alter ego of themselves since they themselves constitute the essence and power of sovereignty.

Still another view of the public employee relationship is that it is implied in his contract of employment that he waives rights enjoyed by his counterpart in the private sector and that in taking employment on known terms he is estopped from complaining. Carrying this argument a step further, it is contended that the public employer may impose any reasonable condition prerequisite to holding offices within its control.

Not even strikes in "nonessential" areas should be permitted, it is contended, because determining essentiality by statute is an unrewarding semantic exercise. Also, a discriminatory grant of the right to strike to one group may result in a volume of claims from other groups.

Despite these arguments, however, the trend in the expanding public employee unions is to adopt to the hilt the industrial concept of organization and negotiation. Though the legislative strike ban in the public sector has to date met constitutional challenges, (*i.e.*, it is not an abridgement of free speech or assembly, it does not impose involuntary servitude nor does it deny equal protection of the laws) the unions draw an analogy between public and private sector problems and label the distinction unwarranted and discriminatory. Both employee "ladders" run the gamut, on the union side from laborers, crafts, blue collar, professional, technical, administrative, to unclassified. On the "employer" side are the administrative agencies, municipal (county and state) agencies, elected heads, legislative bodies, and quasi-cultural institutions such as art exhibits, museums and libraries. Struck by this analogy, the unions are asking why the public sector unions shouldn't enjoy the same right to strike as the private.

The role of public attitude and interest cannot be denied. In private union negotiations, the public frequently are mere bystanders who perhaps are apprehensive about the economic effect on the family purse but whose sentiments rarely alter the outcome. An exception to this would appear where the private sector talks constitute a deprivation of some vital service such as light, power or telephone. In the strike or "job action" against the government, however, public attitude is of great importance. Questions of "fairness" and "public interest" inject themselves, and the union is lauded or indicted in direct ratio to this public attitude. An economic fact thus becomes enmeshed in an intense political climate of a potential increase in taxes, deprivation of services, and smoldering indignation at contempt for law. Much of the negative public reaction arises from the aforementioned "job actions" which are *de facto* strikes. These range from the "work by the rules" (a slowdown effected by working strictly according to the rule book), the slowdown, the simultaneous flu epidemic, refusal to work overtime, "safety" checks (minute inspection of machines and vehicles resulting in nonconforming citations),

to mass resignation and mass picketing (without the formality of a strike). In 1968 there were 254 such actions as compared with 15 in 1958.

Minor taxpayer rebellions have occurred on occasion because unions have demanded more than comparable private work units were getting because they have been better organized to conduct a strike or because their service was more essential.

Union recognition

While public employee unions are not new their earlier forms were weak. Their existence was only tolerated, often secret for fear of reprisals, often acting as a shield from patronage raids, and certainly lean of accomplishment. The pioneer postal union drew frequent fire from executive Washington, bringing about a broad-front ban on lobbying which sparked the Lloyd-LaFollette Act in 1912. The Act removed the lobby ban, allowed concerted activity for improved working conditions, but firmly prohibited the strike against government. Toleration grew into a tacit acceptance of unions even in the face of reinforced strike prohibitions in the Taft-Hartley Act of 1947 and legislation in the 1950's making a strike against government a felony punishable by fine and imprisonment. Union recognition, however, finally came about in two Executive Orders issued by President Kennedy in 1962. This Magna Carta of federal unionism provided for recognition in proportion to membership ratio, written agreements with agencies on matters outside budget and structure, and establishment of grievance procedures. But it denied the privileges of the Executive Order to unions asserting the right to strike against the government. In 1963 President Kennedy, in a Code of Fair Labor Practices, specifically prohibited what is now called job action.

Still further updating of the Magna Carta was provided by President Nixon in a 1969 Executive Order, which created a Federal Labor Relations Council, establishing wide consultation rights and authorizing binding arbitration for grievances among other changes. One of the most important provisions of the Nixon order was the establishment of an "Impasses Panel" with authority to launch fact-finding and binding arbitration procedures.

The Presidential orders are unanimous in designating wages and hours as non-negotiable issues, because they are within the jurisdictional realm of Congress. The orders uniformly prohibit collective bargaining on "official" time. This lack of authority to negotiate on wages and hours detracts from the traditional bargaining process in which the parties so frequently engage in trading, "wheeling and dealing," retreating, and swapping on demands. Bargaining during off-hours lends an amateur or "hobby" atmosphere to discussions and tends to detract from their dignity and their serious role in the business-like conduct of the government operation involved.

The initial Kennedy Order sparked not only the growth of federal unions but their extent. Administrative officials were now obliged to "get their feet wet" in the trough of labor negotiations—a field hitherto preempted by the private sector. A great deal of discord leading to job actions during this formative period can be laid at the door of public managers inept in this foreign area and often clinging to tactics of the pre-union era. The public managers have been indicted for not doing their "homework," being therefore unprepared to cope with negotiation problems until at the brink of crisis. They are criticized for lacking experience in the drafting and administraton of contracts, the use of mediation, the handling of grievances, and the uses of fact-finding.

States differ

Without a doubt the greatest frustration and inadequacy can be traced to the lack of uniformity in state recognition of the basic relationship between public employers and employees, ranging from mandatory collective negotiation to no recognition at all. The 29 states falling into the latter class evidence a desire either to hide from the problem in the hope that it will soon spend itself and depart, or to abandon their responsibilities to political forces, unsympathetic bureaucrats or the courts. Even the states which recognize the problem do so with varying degrees of enthusiasm. Fourteen states require or command collective negotiation in good faith, two states only permit such negotiation. Five states have legislated "meet and confer" statutes under which the parties execute nonbinding memoranda.

Hawaii and Pennsylvania took a bold step in mid-1970 by granting a limited right to strike to organized public employees. The statute in both states establishes a public employment relations board to rule on compliance with the limiting provisions. The strike right is withheld during pendency of collective bargaining procedures (*i.e.*, mediation, fact-finding and arbitration in good faith) and where the threatened strike poses a "clear and present danger," a matter to be determined by a court of equity. Hawaii requires a cooling-off period of 60 days, beginning when the fact-finding board makes its report public, and 10 days notice of strike intent to the public employment board and the employer. Pennsylvania prohibits strikes by guards at prisons or mental hospitals and employees "necessary to the functioning of the courts"—in addition to those involved in health, safety and public welfare. The emphasis placed on the role of the state boards and on the courts in these statutes almost compels something less than a completely positive evaluation of the legislation while recognizing that it is certainly enlightened.

POTENTIAL SOLUTIONS

Since the Nixon Order gives implied blessing to fact-finding and arbitration, and also makes available the assistance of federal mediation and conciliation, it is appropriate that these devices be considered as potential "solutions" to the problem. Because disputants in a public sector impasse are inclined to confuse facts with notions, desires, aims, goals and ideals, a good case is made for the effectiveness of fact-finding. The old caveat—"Don't confuse me with facts, I've already made up my mind"—often governs in a dispute. The obvious purpose of the fact-finding board or panel is to state in cold extensional terms the factual issues and the factual context, shorn of emotional and subjective distortions. Conducted by an individual or by a board or panel or impartial, judicious-minded labor relations experts, the fact-finder(s) first must establish acceptability to both parties. Opportunity is provided both sides to present their case. This may involve taking testimony of witnesses, submission of documents and statistics, argument (oral and by brief) and rebuttal. The fact-finders may employ their own resources in research and may adduce testimony from witnesses they themselves may summon. Having thus sifted out the facts, the fact-finder attempts to "sell" them to the parties, frequently inducing disputants to agree on a solution. If this does not happen, the fact-finders make their findings public and thus attempt to bring public opinion and pressures to bear.

Critics of the fact-finding device deplore the lack of force behind the findings. They speak of "compelling" the "voluntary" acceptance of the findings. This criticism has led to modification of the process, calling in some cases for "mere" fact-finding and in other cases to "binding" fact-finding. Some labor experts contend that the mere statement of existing facts with no compulsions involved is an exercise in futility depending for its success on pressures from without. On the other hand, these same experts favor fact-finding which compels acceptance by the disputants of the factual conclusions reached. Organized employee groups, however, are basically opposed as a matter of principle to abandoning the "raw" negotiating process in favor of yielding control of a dispute to a third party.

YES: MUCH OF THE DISSATISFACTION ARISING IN PUBLIC SECTOR NEGOTIATION INVOLVES THE INABILITY TO ESTABLISH PARITY BETWEEN EMPLOYER AND UNION ON WAGE INCREASES

Whether the dispute is over contract interpretation or deals with an "interest" of the union (*i.e.*, the making of a contract), arbitration as a problem-solving tool must be binding to be effective. However, the public "employer" cannot be required to yield power which is beyond his legal authority. Hence, arbitration is frustrated and the arbitrator's award becomes only advisory. The arbitration process could (and should) be buttressed by repealing proscriptions where they exist and enacting statutes enabling acceptance of arbitration decisions in unresolved disputes.

As a practical measure, arbitration, like fact-finding, has been fractured into "binding" and "advisory" categories so that its good features may still be employed in the public sector.

Mediator's job difficult

By definition, mediation is the intervention of a neutral presence in a dispute in order to maintain lines of communication, frame the issues, and propose suggestions for agreement. Essentially, mediation does not impose agreement but nurtures settlement by the disagreeing parties themselves. Since the "employer" in a public sector dispute is often nebulous and the union is operating under a strike ban, the mediator has his work cut out for him. Some of the questions that assail him are who in the government can make the "final" decision on disputed issues and what effect is the inability to strike having on the course of the negotiations? Certainly the development of special mediation techniques is needed in a situation where, after the parties are persuaded, the mediator must then hunt down the true seat of authority. This may be a personal higher authority—the mayor, governor, or legislature—or any administrative higher authority, board or other governmental unit. And when all is said and done, mediation has no power to compel, but can only achieve by logic and persuasion.

Much of the dissatisfaction arising in public sector negotiation involves the inability to establish parity between the employer and the union on matters involving wage increases. It is argued, and with validity, that the public employer, more often than not, does not control the purse, that funds must be appropriated by higher authority or by legislation. This lack of parity between public and private negotiating brings about delay and frustration which in turn generates bargaining heat. The problem, of course, is somewhat diminished when the collective bargaining is concerned with nonbudgetary matters such as hours and other conditions of employment.

In light of the peculiar circumstances surrounding public sector negotiations, a procedural route which would at least alleviate the frustration seems in order. At the wage talk stage, a decision-maker should be brought into the picture. This could be either a higher authority with power to provide

the funds or a legislative representative or committee endowed with budgetary power. In other words, the union should be allowed to negotiate with the "real" employer or manager on a matter upon which the nominal employer is incapable of making a binding decision.

If, for example, an intrastate public sector union is negotiating a contract renewal wherein a wage increase is among other demands, the public manager and the union should be allowed to request the seating at the bargaining table of a legislative representative upon whom spending power has been conferred. If such advance power cannot be conferred, then the representative should be in a position to exert significant influence on budgetary matters, so as to virtually assure the participants the funds will be appropriated upon his recommendation.

A grass-roots solution of the complex problem would be either to repeal the strike power in the private sector or to grant that power in the public sector. Either of these would end the discrimination which is the core of the controversy. However, depriving private-sector unions of their right to strike is obviously bold and impractical. Such a move, even if it were to succeed, would only create new and more formidable problems. The second alternative holds more promise, especially if acceptable provisions guaranteeing the maintenance of essential public services could be woven into the fabric.

Canada, for instance, is living with legislation giving civil servants the rights to organize, bargain collectively, and strike. The strike power, however, is withheld from certain designated employees whose functions are or will be necessary to the safety and security of the public. On the surface, this would appear to dilute the strike power but for the fact that the "essential" employees are chosen bilaterally at one stage of the bargaining route. At this point, the public employer is required to provide the union with a list of employees whom he deems essential. The list then becomes a matter for negotiation and, if agreement fails, the matter of designation is referred to the Public Service Staff Relations Board which makes final determination. These designated employees participate in all union activities except striking. Though the Canadian experience to date is limited, the facts are that a strike is permitted, the psychological barrier to no-strike bargaining is removed by the maintenance of truly needed services, and the parties are allowed to know in advance the power of the strike punch. Selection of the essential employees at a prenegotiation stage also precludes emotional and position pressures.

One of the potential weaknesses of the Canadian plan is that the "essential" employees thus weeded out will feel rejected by the unions (or, inversely, those not deemed essential will feel they are being rejected by management). A possible solution for this would be to allow those "separated" to be given the best available substitute to the right to strike, namely, coverage by binding compulsory arbitration.

Strike power, alternatives

That equity and fairness require that public employees have the opportunity to strike is the view entertained by one faction of the 20th Century Task Force, which deliberated on the problem. These minority members take the position that the strike power should be given when the government authority with decision-making power refuses to accept the recommendations for settling a dispute that have been arrived at by the fact-finders. This faction also would exclude police and firemen and would subject the matter to a court finding as to health and safety peril. The Task Force Report emphasizes that there is no internal dissent on prohibiting strikes by law while "a legal process is under way to determine the question of union recognition or while the parties are negotiating, in meditation, or before a fact-finding body."

YES: GRANT THE RIGHT TO STRIKE ON A FUNCTIONAL BASIS

Though the Task Force agrees unanimously that strike alternatives should be established and available in all agencies and levels of government, the division of opinion is over whether a legal bar against striking should apply to all public employees in all circumstances.

Support in some quarters for a "limited right to strike" is recognized in the 1970 report of the Advisory Commission on Intergovernmental Relations. The commission's recommendations, however, support outright prohibition of public employee strikes, pointing out that in the private sector strike a counter weapon, the lockout, is available and that such a balancing device is not accessible to the public employer. To condone strikes, the report holds, is to sanction putting the government employer, who lacks the weapons of his private counterpart, at the mercy of his organized workers.

A more sensible approach to ultimate solution of the multi-sided problem would be to grant the right to strike on a functional basis. This is the scientific approach to problem solving—no blanket prohibition, no absolutes, but rather a study of the extensional consequences likely to result from granting the right to strike to specific strata of employees. This would permit taking into account such things as public safety, general welfare and essentially vis-a-vis a particular class of public employees. When, for instance, Canada's postal workers exercised their right to strike, the welfare of the public was only minimally affected. True, citizens did not get their allotment of junk mail (including bills), but a skeleton force of non-striking employees managed to deliver important missives.

A functional approach might result in a granting of the strike privilege to clerks, maintenance workers, or even bus drivers and in granting a strike substitute (*e.g.*, binding arbitration) to policemen, firemen or public hospital employees. The functional study should include the extent to which denial of the right to strike is based on fears, on unwarranted apprehension regarding what might happen, on irrelevancies and fantasies. Certainly attempted political and outmoded doctrinal solutions by both public union and public worker can be expected to provoke stalemates and impasses so long as the right to bargain is eroded by lack of unanimity—and so long as the right to strike is withheld arbitrarily.

THE DEATH OF G. HUNTER WARLICK

(Mr. BROYHILL of North Carolina asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROYHILL of North Carolina. Mr. Speaker, I wish to note the passing of an outstanding North Carolinian and one whom I have been privileged to know as a close personal friend. G. Hunter Warlick, of Hickory, N.C., was a distinguished Republican and minority leader of the North Carolina House of Representatives. He was greatly respected by his colleagues in the general assembly and beloved by those he represented.

Hunter Warlick was born August 1, 1931, and died of cancer on October 5, 1974. He represented Catawba County in the North Carolina House of Representatives since 1969, and because of ill health had announced he would not seek reelection this year. He was a member of the Advisory Budget Commission and was named House minority leader in November 1972. He served on the appropriations, finance, local government, higher education, highway safety, constitutional amendments, banks and banking, and judiciary committees. He was a member of the Catawba County Bar Association, the North Carolina Bar Association, and the American Bar Association.

A simple listing of Hunter Warlick's accomplishments fails to convey the wonderful personal qualities of this great man. Hunter Warlick was a rarity in political life. He combined outstanding intellectual ability with uncompromising principle. At a time when the public view of elected officials is somewhat skeptical and questioning, Hunter Warlick exemplifies all that is admirable about those in public life. North Carolina is privileged to have had such a public servant.

I would like to include in the RECORD two moving speeches which were given by men who had known him well. The first is a tribute to him by the Reverend Thad McDonald who was Hunter Warlicks' former pastor at St. Luke's United Methodist Church in Hickory, N.C. Reverend McDonald is now at Grace United Methodist Church in Greensboro, but he returned to Hickory to speak at Hunter Warlick's funeral.

In addition, I am including remarks of Hunter Warlick's good friend and former colleague in the North Carolina General Assembly, the Reverend Robert Q. Beard. Reverend Beard is the former pastor of St. Paul's Lutheran Church in the Startown section of Catawba County. He served in the North Carolina House of Representatives from 1969 to 1971. He is presently executive director of the Governor's Coordinating Council on Aging in Raleigh. These remarks were made to a public gathering in Hickory in April of this year, in tribute to Hunter's public service.

I would like to share with my colleagues the thoughts of these two men on the life of Hunter Warlick:

A TRIBUTE TO HUNTER WARLICK AT MEMORIAL SERVICES, ST. LUKE'S UNITED METHODIST CHURCH, HICKORY, N.C., OCTOBER 6, 1974

(By Rev. Thad McDonald)

I HAVE HEARD IT IN THE MOUNTAINS

(By Ralph Cushman)

I have heard it in the mountains,
I have heard it by the sea,
Where the plains are vast, and vaster
I have heard it calling, calling,
Ever calling unto me!

In the nighttime I have heard it
Through the darkness and the gloom,
In the morning when the sunrise
Bursts in splendor through my room.

Oh, what is it that is calling
In the mountains, by the sea,
In the nighttime, in the daytime,
Ever calling unto me?
Oh, my soul, and can it be
It is God, and He is calling,
Ever calling, calling, calling,
Ever calling unto me?

God calls. He calls in a sovereignty as wide as the human race and as uniquely personal as a human father talking to a son. God speaks. He has not, as yet, lost his voice.

God calls through His word. And that word is a strong word; a bracing word; a good word; and always a just word. As the Psalmist said: "The law of the Lord is perfect, converting the soul; the testimony of the Lord is sure, making wise the simple. The statutes of the Lord are right, rejoicing the heart; the commandment of the Lord is pure, enlightening the eyes. The fear of the Lord is clean, enduring forever; the judgments of the Lord are true and righteous altogether. More to be desired are they than gold, yea, than much fine gold; sweeter also than honey and the honeycomb. Moreover by them is thy servant warned; and in keeping them there is a great reward. (Psalm 19:7–11)

Hunter Warlick was a man who knew "the great reward" conferred upon "The Keeping of the Law." He held a high view of constitutional law because he knew it originated in sacred law.

Tempered by his boyhood days in historic King's Mountain, North Carolina; close family with his home church; a liberal arts education at church-related Davidson College; and as an honor graduate of Duke University's Law School, Hunter Warlick developed a unusual understanding and appreciation for "The majesty of the law" and its historical rootage. It was painful for him to observe those who "used" the law only to find loopholes to excuse known offenders. His approach was to master the law for the purpose of knowing (its) full implication that offender and keeper alike might sit under its broad umbrella equally.

To those of you who sat with him in committee or council in Raleigh, Hickory, or elsewhere, you saw a certain judicial quality in his value-judgments and personal ethics that was in keeping with the highest in both church and state. He was the type of lawyer I like to have in my church because he typified the fairness inherent in the Christian faith. He was convinced as the Psalmist, that: "The Lord executeth righteousness and judgment for all that are oppressed. He made known his ways unto Moses, his acts unto the children, Israel. The Lord is merciful and gracious, slow to anger and plenteous in mercy. He will not always chide; neither will he keep his anger forever. He hath not dealt with us after our sin; nor rewarded us according to our iniquities. For us the heaven is high above the earth, so great is his mercy toward them that fear him. As far as the East is from the West, so far hath he removed our transgressions from us. Like as a father pitieth his children, so the Lord pitieth them that fear him. For he knoweth our frame; he remembreth that we are dust." (Psalm 103:6–14).

It was this time-honored combination of "justice tempered with mercy" that characterized his patient wisdom and calmly considered renderings. Hunter Warlick possessed such a quiet humility that his vailliance was often overlooked; that is, until he, eventually spoke or presented his findings. He was one of those rare souls who was willing to wait to win. He believed that truth would ultimately vindicate itself.

North Carolina has been blessed again by a devoted son; St. Luke's Church has been strengthened by a friendly and concerned stewardship; and my own personal life has been enriched immeasurably by one Hunter Warlick.

"And what doth the Lord require of thee but to do justly, love mercy, and walk humbly with thy God."

TRIBUTE TO A STATESMAN, GEORGE HUNTER WARLICK

(By Robert Q. Beard)

I first met Hunter Warlick six years ago at a breakfast meeting arranged by a mutual friend, Martin Pannell. Hunter had already announced that he would be a candidate for the State House of Representatives, and I had discussed my intentions of doing the same. The three of us got together on this occasion to develop plans and strategy for our forthcoming campaign. It was the first of many early morning meetings Hunter and I would be together in that 1968 compaign and later ones. Taking a lesson from the approach of Congressman Jim Broyhill, greeting workers at factory gates became a trademark of our campaigns. Starting out with the 6:30 and 7:00 a.m. shifts, we always intensified the effort to the point that, several days before election, we were hitting plant gates all over the county at many different hours of the day. One year we estimated that we had personally greeted at least 5,000 people the last three days of the campaign.

Truly, in retrospect, only God Himself really knows the price that was paid for those rigorous campaigns—out early in the mornings and again in the evenings, sandwiching a full day's work in between—pushing ourselves when often neither of us really felt like it. Only those who have gone through it know the strain and drain, not only on the candidate, but on the members of his family as well. It can push personal relationships to the point of breaking, and only total devotion to the goal by both the office seeker and his loved ones can hold off disaster.

A good example of his sense of responsibility and duty to the people who had elected him is the time when, during the 1971 Session, Hunter had to undergo a serious operation. It was a major surgical procedure spelled with capital letters; yet he was back at his seat in the House six weeks after the operation—a Herculean accomplishment by anyone's definition.

My respect for Hunter Warlick grew as I gradually got to know him better. The personality of this quiet, basically very private man does not hit you with the force of a cloudburst, but slowly grows on you by stages, as the first rays of dawn bring forth the light of a new day. He had the same effect on his colleagues in the General Assembly. They especially respected him for his intellectual abilities. One House member, a mutual friend, Democrat and himself a brilliant man, once said to me, "As far as sheer brain power is concerned, probably no one in the entire General Assembly can compare with Hunter Warlick." Others quickly became aware of this ability.

Governor Bob Scott in 1969 appointed him to the Local Government Study Commission, where he made a vital contribution to the extensive revisions of those statutes during the past four years.

His rigid adherence to principle was a source of both admiration and irritation to friend and foe alike.

As far as I can tell, he always voted on the basis of conviction; expediency was just not a part of his vocabulary or thinking. His dogged persistence in sticking to a position once he made up his mind earned him the affectionate title of some of his fellow legislators, "The meanest man in the General Assembly."

It is a known fact that there is a "snowball effect" in House roll call votes; that is, if it becomes apparent that a particular bill is going to win or lose by a landslide, those farther down the alphabet will tend to vote the way everybody else is voting. After all, who wants to be an obvious loser? Nobody. Sometimes a fellow near the top of the roll—like a Beard—may vote the "wrong way" before a trend is seen to be developing and you can understand why he might have been one of only four people out of 120 to vote for or against a bill. But by the time you reach the end of the roll, where the Warlicks and the Zahners are, there is no need to get caught on the short end of a lost cause. Nevertheless, I remember the time when the tally was 113-1 with Hunter casting the lone dissenting vote. He was not being cantankerous or obstinate; that was the way he felt, and that was the way he voted.

His effectiveness as a legislator is witnessed by the fact that he is the only Republican to get a Constitutional Amendment passed during the entire twentieth century. He is also the author of pioneering legislation such as the artificial insemination bill—a subject few states have addressed themselves to as yet.

Together we had a very good record for getting local legislation passed. As freshmen in 1969, we were having extreme difficulty getting a particular assistant attorney general to draft the school board bill the way we wanted it. After about the third attempt, we began to suspect that the fellow was either exceptionally obtuse or else he was deliberately trying to sabotage our bill. Finally, Hunter sat down and drafted the bill himself. Opponents of the bill at home got a ruling from the Attorney General's office that the bill was unconstitutional. Representative Warlick wrote the man who had written the opinion, posing four or five constitutional questions for him. In his reply, the Assistant Attorney General found himself in an indefensible position, backing down on each point and finally concluding with words that went something like this: "I probably should not have ruled that the bill was unconstitutional." It passed both Houses without opposition.

Our theme during the '72 campaign was, "Re-elect an Effective Team". During three terms in the General Assembly we had learned to work together to try to provide the strongest possible representation for our District. I sincerely believe that we *were* an effective team.

And with the victory of Jim Holshouser in the gubernatorial election and the subsequent elevation of Hunter Warlick as House Minority Leader, Catawba County was indeed in a strong position politically. Thus, when circumstances dictated Hunter's decision not to run again, it marked the end of an era in Catawba County politics.

In one of his more familiar quotes, Thoreau said, "If a man does not keep pace with his companions, perhaps it is because he hears a different drummer. Let him step to the music he hears, however measured or far away." Hunter is such a man as this. I have never known anyone whose life corresponded so closely with the principles he believed in. Such a near harmony between principle and practice is exceedingly rare. It takes a lot of courage to march to the music one hears in the inner soul when there are so many conflicting voices outside. Hunter has dared to do this—and in the process he has given us all something enduring and worthwhile.

He has made a notable contribution to the life of our State and our community, and has left an indelible mark on the lives of all of us who have had the privilege of knowing him in his public life. Not the least of these contributions is the fact that, at a time when politics and the public regard for politicians is at an all-time low ebb, this man is the personification of integrity and living proof that politics can be an honorable profession.

A BREATH OF FRESH AIR

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, the president of the United Mine Workers of America, Arnold Miller, is a rank-and-file coal miner who symbolizes the fact that this great union is at last being run by and for the rank and file. Arnold Miller's victory in 1972 was an inspiring event in a year filled with disillusionment and despair.

Tomorrow, October 16, there is scheduled a dinner at which Arnold Miller was to be presented an Urban Justice Award. But Arnold Miller is not an ordinary man. He has exhibited a new and higher morality which is refreshing in this city, by refusing to accept this award on the same platform with Edward Bennett Williams, whose conduct during the infamous and murderous regime of Tony Boyle was an insult to every coal miner.

I am proud of Arnold Miller, and especially proud of the letter which he wrote in declining the award which was to have been conferred tomorrow, and include in the RECORD the text of Mr. Miller's letter:

SEPTEMBER 12, 1974.

MR. PAUL A. PORTER,
General Chairman, Antioch School of Law, Washington, D.C.

DEAR MR. PORTER: Some time ago I agreed to accept an Urban Justice Award from the Antioch School of Law at a dinner scheduled for October 16th. This letter is to inform you that, after consultation with my colleagues, including the UMWA attorneys and the attorneys who represented our Miners for Democracy group during the reform struggle within the union, I have decided that I cannot in good conscience accept the Award.

I suppose I could write and say that my decision is based on the likelihood of our being in negotiations with the coal operators right through until November. That would be a good enough reason for it is in fact doubtful that I will have a night off during October. But that would not be the real reason and coal miners who live in daily fear of death and disease get in the habit of telling it like it is.

Bluntly put, I cannot accept an award on the same platform with Edward Bennett Williams because of his unethical and improper conduct in the representation of Tony Boyle against the reform elements in the union and because of his appropriation of hundreds of thousands of dollars out of the dues of coal miners as payment for his efforts to keep them in Tony Boyle's bondage. The fact that the Bar has done nothing about this wrongful conduct is no excuse for my demeaning the memory of the martyred Yablonski family and betraying the trust of the coal miners by pretending that all this never happened.

Let's look at the record. From August 1, 1969 until December 22, 1972, when Judge Bryant signed the order installing me as President of the UMWA, Williams & Connolly were the legal field marshals for Tony Boyle in his effort to retain his dictatorial control of our union. It is not that Williams & Connolly represented Tony Boyle that troubles me, for everyone is entitled to a lawyer; it is what Williams & Connolly did as Boyle's lawyers that was unethical and improper, including their pretense that they were representing the union and its membership when, in fact, every act they took was in direct contravention of the interests of the union and its membership.

From the beginning, Williams & Connolly represented Boyle's interest and not that of the union and its membership who were paying them. The first case they handled was the effort by Jock Yablonski to get a fair shake in the United Mine Workers Journal during his 1969 election campaign against Boyle. Williams & Connolly had the audacity, representing the union and its membership, to urge upon two district judges and two Court of Appeals panels the proposition that Boyle could use the UMWA Journal in any way he wanted to further his election campaign. They never once gave the slightest hint of any obligation to the members of the union who were being brainwashed by the Boyle crowd under the theory espoused by Williams & Connolly.

Later in the 1969 election campaign, Yablonski brought suit to insure a fair election and this time Williams & Connolly, again representing the union and its membership, not only pressed for Boyle's unrestrained right to conduct the election in any way he pleased, but even went further than this. When it became apparent that the UMWA would commence printing and distributing ballots without a union observer present, counsel for Yablonski informed the General Counsel of the union, Edward L. Carey, co-counsel in the case with Williams & Connolly, that they would seek a temporary restraining order the following morning barring the unprotected printing of the ballots. Mr. Carey got this message at the office of Williams & Connolly where he was conferring on this case; from there he directed the union printer to "get the job out as quickly as possible." When Mr. Carey admitted this in open court the next morning, Williams & Connolly did not withdraw from the case because of their co-counsel's effort to defeat the jurisdiction of the court through the printing of the ballots overnight before the court could act; they simply disclaimed personal involvement in that action of their co-counsel and went on representing Boyle as though nothing had even happened.

On January 5, 1970 the bodies of Jock Yablonski, his wife and daughter were found murdered. Two days later Williams & Connolly served papers on the Yablonski attorneys suggesting that Yablonski's death terminated all rights under several pre-election suits which had been brought to help the union and its membership. Worse yet, when the Yablonski sons were trying to bring their family's murderers to justice, Williams & Connolly spread reports that their sources (implying the FBI) had fully cleared the UMWA of any involvement in the murders, though the FBI at that very time already had a confession involving a local UMWA President. And Williams & Connolly continued to assist Boyle in his efforts to hang on to union control right through until December 1972 when Judge Bryant signed the Order certifying me as President of the union, though by this time no one doubted Boyle's complicity in the murder.

Williams & Connolly's unethical and improper conduct in this matter has actually been *adjudicated* by the United States Court of Appeals for the District of Columbia. In December 1969 the Yablonski forces brought a suit to force Boyle and his fellow officers to pay back to the union what they had misappropriated from it. Williams & Connolly incredibly entered their appearance for both the union and its officers. When the Yablonski attorneys pointed out this obvious conflict of interest, Williams & Connolly retired from their representation of the individual officers but tried to stay in the case for the union. The Court of Appeals, on conflict of interest grounds, ordered them out of the case entirely in an opinion which would have resulted in disciplinary procedures against less well-connected lawyers. Significantly, the unanimous Court of Appeals stated: "It appears that in 18 months of representation (6 months for both the UMWA and Boyle individually, and 12 months for the UMWA alone), the regular UMWA counsel [Williams & Connolly] has not brought forth a single issue on which the UMWA and the Boyle individual interest have diverged." This was said by the Court of Appeals on July 21, 1971. And in the additional 18 months of their further representation of Boyle and the UMWA, there was never a single issue on which Williams & Connolly found any divergence between the interest of the UMWA and its membership and the Boyle individual interest.

Although dismissed from the "misappropriation" case by the Court of Appeals, this did not stop Williams & Connolly from trying to defeat the efforts of the Secretary of Labor and the Yablonski group to obtain a new election. Six months after they were disqualified as counsel in the misappropriation case and barred from receiving further substantial fees in that case, Williams & Connolly entered their appearance in the government's suit to overturn Boyle's fraudulent 1969 election. Thousands and thousands of dollars of miners' dues were paid to them for again representing Boyle while purporting to represent the UMWA. Judge Bryant in a 33-page opinion handed down May 1, 1972 found violation after violation by Boyle and his crowd and discredited the testimony of union witnesses put on the stand by Williams & Connolly. This is in line with Judge Gesell's holding in the *Blankenship* v. *Boyle* pension trust case a year earlier (where Williams & Connolly were again representing both the union and Boyle) that Boyle and the UMWA had engaged in a massive conspiracy to defraud UMWA pensioners out of more than $11,000,000 and that the testimony of Boyle and Carey was not to be credited.

Even Judge Bryant's opinion holding a new election necessary could not slow down Williams & Connolly defense of Boyle. In the lengthy arguments prior to Judge Bryant's election order of June 15, 1972, Williams & Connolly defended Boyle's freedom of action in the rerun election case by opposing every major proposal of the Secretary of Labor and Miners for Democracy to insure a fair election by the membership. And after Judge Bryant did enter his order, they defended every Boyle violation of that order, including one which the Judge called "deliberate and flagrant." Williams & Connolly even filed a memorandum in the union's name to obtain space in the UMW Journal for obviously fraudulent candidates helping Boyle who had not even asked Williams & Connolly to represent them. As the Department of Labor put it in opposing Williams & Connolly's defense of this scheme, "it is difficult to perceive the union's interest in this matter."

But the worst is yet to come. By May of 1972 the murder cover-up was unravelling and at least the following was known to all those who were representing the two sides in the struggle for reform of UMWA: During 1969 Boyle caused twenty thousand dollars to be forwarded to UMWA District 19 as "advances." In September and October of 1969, Albert E. Pass, Secretary-Treasurer of District 19, along with District 19 field representative William Prater, caused $19,970 of these "advances" to be laundered into cash. In October and November of 1969, Silous Huddleston, a local UMWA President in District 19, received $15,000 in cash from Pass and Prater to be used in the murders (Huddleston and his daughter, Mrs. Antoinete Gilly, gave lie detector controlled confessions to this effect). Mrs. Gilly, also by her own confession, paid off the three actual trigger men (two confessed, one convicted) from these funds. With the confessions of Huddleston and Mrs. Gilly, Pass and Prater were indicted for the murders. Boyle, desperately anxious to keep Pass silent, asked for an opinion that he could continue to keep him on the payroll. He went to a member of the UMWA legal staff, Harrison Combs, and asked him for such an opinion. Mr. Combs, to his eternal credit, said "no." He then went to Williams & Connolly who, on May 25, 1972, gave him the incredible opinion that he could continue to make salary payments to Pass, likening a man indicted for murder with a mountain of evidence including two lie detector-controlled confessions against him, to a corporation paying "an employee during a period when he is temporarily absent from work due to illness or when he is on vacation." Everyone knew that the only possible reason Boyle could have wanted such an opinion was to help keep Pass silent at a time when the best interests of the UMWA membership, who were paying Williams & Connolly their fees, was so clearly to let the truth come out.

It was not long until the truth did in fact come out. Mr. William Turnblazer, then Pres-

ident of UMWA District 19, in his confession that directly implicated Tony Boyle as the top murderer, referred to this opinion as follows:

"I attended a meeting on May 25, 1972, in Washington, D.C., on welfare fund benefits and met with Tony Boyle, Ed Carey, and Joe Brennan, Research Director of the UMWA. During this meeting Tony Boyle took me aside in the office and showed me a letter that he had received from the law firm of Williams and Connolly, Washington, D.C., stating that it was their legal opinion that the UMWA was justified in keeping Prater and Pass on the payroll, although they were in custody of the authorities on a murder charge. Tony Boyle commented to me that this action should please Pass and Prater and suggested that I get this information to them. I either informed their wives or sent word to them concerning this information, although a short time later the Labor Department ruled that this payment of salaries could not continue."

I could have kept silent about this whole matter on the theory that Boyle and Williams & Connolly ultimately lost out. But I saw what lawyers did to this country in the Watergate cover-up and I think I owe this recital to someone and I have decided to make it to you because of your own high standing at the Bar. You will understand the depth of my feelings if you will only think of the additional length of time that Tony Boyle, a murderer, was kept as President of the union through the tactics of Williams & Connolly, and of the three Yablonski graves on a hillside near a coal village in Pennsylvania.

Sincerely,

ARNOLD MILLER.

GENERAL LEAVE

Mr. MURTHA. Mr. Speaker, I ask unanimous consent that all Members may have 5 additional legislative days in which to extend their remarks on the special order taken on Monday, October 7, 1974, by the gentleman from California (Mr. PHILLIP BURTON) in tribute to the memory of the late Hon. John F. Shelley.

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

There was no objection.

LEAVE OF ABSENCE

Mr. CONLAN (at the request of Mr. RHODES), for today and tomorrow, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MURTHA) to revise and extend their remarks and include extraneous material:)

Mr. VANIK, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. EILBERG, for 5 minutes, today.
Mr. DRINAN, for 10 minutes, today.
Mr. MORGAN, for 5 minutes, today.
Mr. KOCH, for 5 minutes, today.
Ms. ABZUG, for 20 minutes, today.
Mr. ROSENTHAL, for 5 minutes, today.
Mrs. GRASSO, for 15 minutes, today.
Mr. DELLUMS, for 10 minutes, October 16.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CULVER, immediately following the vote on the veto override on the continuing appropriation resolution.

(The following Members (at the request of Mr. POWELL of Ohio) and to include extraneous matter:)

Mr. HOSMER in three instances.
Mr. MARTIN of North Carolina.
Mr. GILMAN in two instances.
Mr. WYMAN in two instances.
Mr. FRENZEL in two instances.
Mr. BOB WILSON in two instances.
Mr. BRAY in three instances.
Mr. ARCHER.
Mr. HUNT.
Mr. DERWINSKI in three instances.
Mr. ABDNOR.
Mr. ASHBROOK in two instances.
Mr. SHRIVER.
Mr. BUCHANAN in two instances.
Mr. O'BRIEN.
Mr. WINN.
Mr. BROWN of Michigan.

(The following Members (at the request of Mr. MURTHA) and to include extraneous matter:)

Mr. MOORHEAD of Pennsylvania in two instances.
Mr. ANNUNZIO in six instances.
Mr. ANDERSON of California in three instances.
Mr. RARICK in three instances.
Mr. GONZALEZ in three instances.
Mr. BADILLO in three instances.
Mr. ALEXANDER.
Mr. FRASER.
Mr. KAZEN.
Mr. EILBERG in two instances.
Mr. KOCH in two instances.
Mr. HAWKINS in two instances.
Mr. BYRON.
Mr. HARRINGTON.
Mrs. MINK in two instances.
Mr. RYAN in two instances.
Mr. MURTHA.

SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 32. An act to establish a framework for the formulation of national policy and priorities for science and technology, and for other purposes; to the Committee on Science and Astronautics.

S. 114. An act to direct the Secretary of Agriculture to review as to its suitability for preservation as wilderness the area commonly known as the Snow Mountain De Facto Wilderness Area in the State of California; to the Committee on Interior and Insular Affairs.

S. 2363. An act to amend chapter 39 of title 38, United States Code, relating to automobiles and adaptive equipment for certain disabled veterans and members of the Armed Forces; to the Committee on Veterans' Affairs.

S. 2854. An act to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance a national attack on arthritis; to the Committee on Interstate and Foreign Commerce.

S. 3563. An act to authorize the construction of a highway bridge across the Snake River between Clarkston, Washington, and Lewiston, Idaho, and to establish a Water Resources Mitigation Advisory Board; to the Committee on Public Works.

S. 2859. An act for the relief of Marian Law Shale Holloway; to the Committee on the Judiciary.

S. 3871. An act to authorize the Administrator of the Federal Energy Administration to conduct a study of the energy needs of the United States and the methods by which such needs can be met, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 4081. An act to redesignate November 11 of each year as Veterans Day and to make such a day a legal public holiday; to the Committee on the Judiciary.

S. Con. Res. 99. Concurrent resolution authorizing the printing of additional copies of the National Nutrition Policy Study hearings and panel reports of the Senate Select Committee on Nutrition and Human Needs; to the Committee on House Administration.

S. Con. Res. 116. Concurrent resolution authorizing the printing of additional copies of Senate hearings on the marihuana-hashish epidemic and its impact on United States security; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6624. An act for the relief of Alvin V. Burt, Jr., Eileen Wallace Kennedy Pope, and David Douglas Kennedy, a minor;

H.R. 7768. An act for the relief of Nolan Sharp;

H.R. 12281. An act to continue until the close of June 30, 1975, the suspension of duties on certain forms of copper, and for other purposes;

H.R. 17027. An act to amend the National Visitor Center Facilities Act of 1968;

H.R. 15148. An act to extend the time limit for the award of certain military decorations;

H.R. 15643. An act to reorganize public postsecondary education in the District of Columbia, establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public postsecondary education into single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes; and

H.R. 16857. An act to provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1974 in certain disaster areas in North Carolina.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 2840. An act to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes;

S. 3473. An act to authorize appropriations for the Department of State and the U.S. Information Agency, and for other purposes;

S. 3792. An act to amend and extend the Export Administration Act of 1969;

S. 3838. An act to authorize the regulation of interest rates payable on obligations issued by affiliates of certain depository institutions, and for other purposes; and

S.J. Res. 250. A joint resolution to extend the Regional Rail Reorganization Act's reporting date, and for other purposes.

ADJOURNMENT

Mr. MURTHA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, October 16, 1974, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[*Omitted from the Record of Oct. 11, 1974*]

2852. A letter from the Under Secretary of Health, Education, and Welfare, transmitting proposed amendments to part 177 of title 45 of the Code of Federal Regulations, governing the administration of the guaranteed student loan program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2853. A letter from the Chairman, U.S. Civil Service Commission, transmitting a report on employment opportunities for public offenders in the Federal service, pursuant to section 605(e) of Public Law 93-203; to the Committee on Education and Labor.

2854. A letter from the Director, Bureau of Land Management, Department of the Interior, transmitting the semiannual report on the Bureau's negotiated sales contracts for the disposal of materials, for the period ended June 30, 1974, pursuant to Public Law 87-689; to the Committee on Interior and Insular Affairs.

2855. A letter from the Acing Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the education broadcasting facilities program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and social service information, and for other purposes; to the Committee on Interstate and Foreign Commerce.

2856. A letter from the Chairman, Federal Power Commission, transmitting a draft of proposed legislation to amend section 305 of the Federal Power Act; to the Committee on Interstate and Foreign Commerce.

2857. A letter from the Acting Director, Office of Resource Utilization, Consumer Product Safety Commission, transmitting an amendment to the Commission's 1976 budget proposals submitted to the Office of Management and Budget, pursuant to section 27(k)(1) of Public Law 92-573; to the Committee on Interstate and Foreign Commerce.

2858. A letter from the Administrator of General Services, transmitting an amendment to the approved prospectus for the Federal Office Building at Manchester, N.H., to the Committee on Public Works.

2859. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed use of funds appropriated to NASA for the lunar and planetary exploration program during fiscal year 1975 in excess of the amount authorized therefor, pursuant to section 4 of Public Law 93-74; to the Committee on Science and Astronautics.

[*Submitted Oct. 15, 1974*]

2860. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report on increased fiscal year 1974 appropriations and limitations granted for fiscal year 1973 retroactive pay costs, pursuant to section 305 (c) of Public Law 93-305 (H. Doc. No. 93-375); to the Committee on Appropriations and ordered to be printed.

2861. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Agriculture for Forest Protection and Utilization, Forest Service, for fiscal year 1975, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679 of the Revised Statutes [31 U.S.C. 665]; to the Committee on Appropriations.

2862. A letter from the Under Secretary of Health, Education, and Welfare, transmitting a proposed amendment to part 177 of title 45 of the Code of Federal Regulations, governing the administration of the guaranteed student loan program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2863. A letter from the Chairman, U.S. Advisory Commission on Information, transmitting the 27th Annual Report of the Commission, pursuant to section 603 of Public Law 402, 80th Congress (H. Doc. No. 93-373); to the Committee on Foreign Affairs and ordered to be printed with illustrations.

2864. A letter from the Secretary of Transportation, transmitting the Department of Transportation's Annual Report for fiscal year 1974 on its disposal of foreign excess property, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949 [40 U.S.C. 514(d)]; to the Committee on Government Operations.

2865. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Federal Communications Commission as of August 31, 1974, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

RECEIVED FROM THE COMPTROLLER GENERAL

2866. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the Federal Home Loan Mortgage Corporation for calendar year 1973, pursuant to section 307 of the Federal Home K Loan Mortgage Corporation Act [12 U.S.C. 1456(b)]; to the Committee on Government Operations.

2867. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the national flood insurance program, Federal Insurance Administration, Department of Housing and Urban Development, for the fiscal year ended June 30, 1973, pursuant to the Government Corporation Control Act [31 U.S.C. 851] (H. Doc. No. 93-372); to the Committee on Government Operations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations. House Joint Resolution 1163. Resolution making further continuing appropriations for the fiscal year 1975, and for other purposes (Rept. No. 93-1465). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 1448. Resolution providing for the consideration of H.J. Res. 1163. Resolution making further continuing appropriations for the fiscal year 1975, and for other purposes (Rept. No. 93-1466). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOWEN:

H.R. 17362. A bill to restore and maintain a healthy transportation system, to provide financial assistance, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BROTZMAN (for himself, Mr. MILLS, Mr. HOSMER, Mr. TALCOTT, Mr. ROUSSELOT, Mr. BURGENER, Mr. JOHNSON of Colorado, Mr. WINN, Mr. SARASIN, Mr. YOUNG of Florida, Mr. MURPHY of Illinois, Mr. HARRINGTON, Mr. ERLENBORN, Mr. COHEN, Mr. MITCHELL of Maryland, Mr. MURPHY of New York, Mr. CONTE, Mr. BLATNIK, Mr. THONE, Mr. SEIBERLING, Mr. FORSYTHE, Mr. HASTINGS, Mr. ESHLEMAN, and Mr. HORTON):

H.R. 17363. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. BROTZMAN (for himself, Ms. ABZUG, Mr. STEELMAN, Mr. BROYHILL of Virginia, Mr. JOHNSON of Pennsylvania, Mr. CLANCY, Mr. SPENCE, Mr. PARRIS, Mr. PRICE of Texas, Mr. HOGAN, Mr. WALSH, Mr. ROE, and Mr. GOLDWATER).

H.R. 17364. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. CHAPPEL:

H.R. 17365. A bill to increase on an emergency basis the availability of reasonably priced mortgage credit for housing; to the Committee on Banking and Currency.

By Mr. COCHRAN:

H.R. 17366. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system; to the Committee on Ways and Means.

By Mr. COTTER:

H.R. 17367. A bill to provide tax relief and tax reform: to the Committee on Ways and Means.

By Mr. COUGHLIN:

H.R. 17368. A bill to exclude from gross income the first $1,000 of interest received from savings account deposits in home lending institutions; to the Committee on Ways and Means.

By Mr. FLOOD:

H.R. 17369. A bill to amend the Internal Revenue Code of 1954 to provide that an individual who suffers a casualty loss as a result of a major disaster may disregard the amount of any grant or cancellation of loan under a State disaster assistance program for purposes of determining the amount of that individual's casualty loss deduction and of determining his gross income; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 17370. A bill to amend title 28, United States Code, to provide that Madison County, Fla., shall be included in the northern judicial district of Florida; to the Committee on the Judiciary.

By Mrs. GRASSO (for herself, Ms. ABZUG, Mr. ADAMS, Mr. BEARD, Mr. BENITEZ, Mrs. BOGGS, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. COTTER, Mr. DOMINICK V. DANIELS, Mr. FRASER, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mrs. HECKLER of Massachusettts, Mr. HELSTOSKI, Mr. LONG of Maryland, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Mr. PATTEN, Mr. ROSENTHAL, Mrs. SCHROEDER, Mrs. SULLIVAN, and Mr. YATES):

H.R. 17371. A bill to make it an unfair practice for any retailer to increase the price of certain consumer commodities once he marks the price on any such consumer commodity, and to permit the Federal Trade Commission to order any such retailer to refund any amounts of money obtained by so increasing the price of such consumer commodity; to the Committee on Interstate and Foreign Commerce.

By Mr. HAWKINS:

H.R. 17372. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes; to the Committee on Education and Labor.

By Mr. KASTENMEIER:

H.R. 17373. A bill to amend the Jury Selection and Service Act of 1968, as amended, to clarify the qualification section of that act with regard to service by persons whose civil rights have been restored; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Ms. GRASSO, and Mr. STEELE):

H.R. 17374. A bill to impose additional standards with respect to the construction, conversion, and operation of oil tankers in order to prevent the pollution of the marine environment, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MACDONALD:

H.R. 17375. A bill to establish a framework for the formulation of national policy and priorities for science and technology, and for other purposes; to the Committee on Science and Astronautics.

By Mr. MARAZITI (for himself, and Mr. GILMAN):

H.R. 17376. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. STRATTON (for himself and Mr. PREYER):

H.R. 17377. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TAYLOR of Missouri:

H.R. 17378. 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. YATRON:

H.R. 17379. A bill to amend title 38 of the United States Code to provide that World War II and Korean conflict veterans entitled to educational benefits under any law administered by the Veterans' Administration who did not utilize their entitlement may transfer their entitlement to their children; to the Committee on Veterans' Affairs.

By Mr. LATTA:

H.R. 17380. 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. MOSHER (for himself, Mr. BADILLO, Mr. CLARK, Mr. DUNCAN, Mr. FORSYTHE, Mr. HANRAHAN, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. QUIE, Mr. RONCALLO of New York, Mr. STARK, and Mr. WON PAT):

H.R. 17381. A bill to require in all cases court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail, for the inspection or procurement of certain records, and for other purposes; to the Committee on the Judiciary.

By Mr. NEDZI (for himself, Mr. THOMPSON of New Jersey, Mr. GRAY, Mr. BRADEMAS, Mr. GETTYS, Mr. FRENZEL, and Mr. BUTLER):

H.R. 17382. 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. PEPPER:

H.R. 17383. A bill to terminate age discrimination in employment; to the Committee on Education and Labor.

By Mr. STRATTON (for himself, and Mr. KING):

H.R. 17384. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

[*Omitted from the Record of Oct. 11, 1974*]

By Mr. MARTIN of North Carolina:

H.J. Res. 1162. Joint resolution to limit expenditures and net lending during the fiscal year 1975 to $297 billion, and for other purposes; to the Committee on Ways and Means.

By Mr. DICKINSON:

H. Con. Res. 675. Concurrent resolution providing for the printing as a House document of the Constitution of the United States (pocket-size edition); to the Committee on House Administration.

By Mr. FASCELL:

H. Res. 1439. Resolution expressing the sense of the House with respect to the consideration and reporting of a concurrent resolution on the budget for the fiscal year 1976; to the Committee on Government Operations.

By Mr. FUQUA:

H. Res. 1440. Resolution expressing the sense of the House of Representatives concerning the need for immediate and substantial public investments in agriculture research and technology for the express purpose of increasing food production; to the Committee on Agriculture.

By Mr. HARRINGTON (for himself, Mr. EDWARDS of California, Mr. EILBERG, and Mr. HAWKINS):

H. Res. 1441. Resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on Intelligence Operations, and for other purposes; to the Committee on Rules.

By Mr. HASTINGS:

H. Res. 1442. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on Foreign Affairs.

By Mr. LITTON (for himself, Mr. HARSHA, Mr. JOHNSON of Colorado, and Mr. MEZVINSKY):

H. Res. 1443. Resolution expressing the sense of the House of Representatives concerning the need for immediate and substantial public investments in agriculture research and technology for the express purpose of increasing food production; to the Committee on Agriculture.

By Mr. PATMAN:

H. Res. 1444. Resolution to rescind the Executive order lifting restrictions on beef imports; to the Committee on Ways and Means.

By Mr. ROE (for himself, Mr. DINGELL, Mr. HEINZ, Mr. MITCHELL of New York, and Mr. RINALDO):

H. Res. 1445. Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian; to the Committee on Foreign Affairs.

[*Submitted Oct. 15, 1974*]

By Mr. MAHON:

H.J. Res. 1163. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes; to the Committee on Appropriations.

By Mr. BLACKBURN:

H. Con. Res. 676. Concurrent resolution to establish a target of $297 billion, for budget outlays for fiscal year 1975; to the Committee on Appropriations.

By Mrs. GRASSO:

H. Res. 1447. Resolution expressing the sense of the House that the price of domestic oil shall not be decontrolled; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SYMMS:

H.R. 17385. A bill for the relief of Northwest Nazarene College, Nampa, Idaho; to the Committee on Education and Labor.

By Mr. TOWELL of Nevada:

H.R. 17386. A bill for the relief of Gong Sing Hom; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

535. The SPEAKER presented a petition of the 116th convention of the International Typographical Union, relative to the death of Frank Teruggi, Jr., in Chile; to the Committee on Foreign Affairs.

SENATE—*Tuesday, October 15, 1974*

The Senate met at 12 o'clock noon and was called to order by Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin.

PRAYER

The Reverend Dr. C. Leslie Glenn, canon and subdean of Washington Cathedral, Mount St. Alban, Washington, D.C., offered the following prayer:

O God, our Heavenly Father, we give Thee thanks for the good examples of all those Thy servants who are spending their lives in the service of our country, especially now the Members of the Senate. Pour upon them Thy mercy that the good work which Thou hast begun in them may be perfected.

Grant them in all their doubts and uncertainties the grace to ask what Thou wouldst have them to do, that the spirit of wisdom may save them from all false

choices, that in Thy light they may see light and in Thy straight path may not stumble.

Bless these ever more dear United States; give Thy people grace fearlessly to contend against evil and to make no peace with oppression. And that we may reverently use our freedom, help us to employ it in the maintenance of justice among men and nations, to the glory of Thy holy name, through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 15, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. PROXMIRE thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, October 11, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 1212 and 1213.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF THE INTERCOASTAL SHIPPING ACT

The Senate proceeded to consider the bill (S. 3173) to amend the Intercoastal Shipping Act, 1933, which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert:

That section 5 of the Intercoastal Shipping Act, 1933, as amended (46 U.S.C. 845b, is amended by changing the period at the end thereof to a comma and adding thereto the words: "and shall apply to the carriage, storage, or handling of property for the United States, State, or municipal government, or for charitable purposes.".

SEC. 2. Section 6 of the Intercoastal Shipping Act, 1933, as amended (46 U.S.C. 846), is deleted.

The amendment was agreed to.

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

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (S. Rept. 93–1278), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the proposed legislation is to provide for the regulation of the transportation of government and charitable cargo in the domestic offshore trades in the United States by the Federal Maritime Commission to insure that the ocean freight rates in these trades meet the same statutory standards of reasonableness and fairness currently applicable to rates charged for the transportation of commercial cargo in these trades. This objective would be achieved by deleting section 6 of the Intercoastal Shipping Act, 1933, as amended, which permits the carriage of government and charitable cargo at free or reduced rates, and by amending section 5 of that Act, so as to expressly apply the other provisions of that Act to these classes of cargo.

BACKGROUND

This proposed legislation was introduced on March 13, 1974 by Senator Inouye. Hearings on the bill were held on August 9, 1974, and the bill was ordered favorably reported with an amendment by the full Committee on September 25, 1974.

During the hearings, only the representative of the Military Sealift Command, in behalf of the Department of Defense, testified against the bill. Enactment of the legislation is supported by the Department of Commerce and the Department of Transportation. James Day, Vice-Chairman of the Federal Maritime Commission, which administers the Intercoastal Shipping Act of 1933, testified favorably on the legislation at the hearings.

NEEDS

The Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, authorize the Federal Maritime Commission to exercise economic regulation over the rates and practices of common carriers by water in the domestic offshore trades of the United States, that is, the trades between the mainland United States and Hawaii, Alaska, Puerto Rico, Guam, American Samoa, and the Virgin Islands.

The 1933 Act was originally enacted to subject common carriers by water operating between the U.S. Atlantic/Gulf Coasts and the Pacific Coast via the Panama Canal to complete economic regulation by the Federal Maritime Commission's predecessor agency. Section 6 of the Act (originally section 4) was proposed by the Federal Coordinating Service (a predecessor agency of the General Services Administration) for the purpose of enabling intercoastal steamship carriers to operate on an equitable basis with rail carriers, with which they were presumably competing. Rail carriers are permitted to grant reduced rates to the government under section 22 of the Interstate Commerce Act.

The provisions of the Intercoastal Shipping Act, 1933, were made applicable to domestic offshore carriers in 1938. Under the Transportation Act of 1940, jurisdiction over intercoastal water carriers was transferred to the Interstate Commerce Commission. This meant that domestic offshore carriers were left subject to a statutory provision, section 6, which was not designed for them either historically or economically and that the carriers for which it was originally intended were removed from jurisdiction of the Act. Since 1938, the Federal Maritime Commission has been administering a provision for which the rationale has long since disappeared.

Section 6 has operated to prevent the Federal Maritime Commission from exercising the same economic regulation over government and charitable cargo that it currently has over commercial cargo. Although the section is permissive in theory, in practice it has resulted in substantially lower rates for governmental cargoes than for comparable commercial cargo.

The principal beneficiary of this section has been the Department of Defense. The freight rates for much of the military cargo in domestic offshore trades are negotiated between the Navy Department's Military Sealift Command and the carrier. Contracts with the General Services Administration follow the MSC contract, but the GSA impelled volume is much lower. There are presently no charitable rates filed with the Federal Maritime Commission. Government rates are filed on an informational basis only since the effect of section 6 has been to strip the Commission of the right to determine, prescribe and enforce just and reasonable rates for government cargoes.

In its negotiations with carriers in the offshore domestic trade, the Military Sealift Command adheres to the Armed Services Procurement Regulations, which disallow a number of substantial operating costs of the carriers. These regulations produce preferential, or lower, rates for the carriage of military cargo. The steamship companies, in order to maintain a profit margin sufficient to attract capital and maintain their investment, must either absorb the rate differential or pass them on to their shippers who in turn usually pass them on to the consuming public. Thus, preferential rates for military cargo can ordinarily be translated into higher rates for commercial shippers unless the carriers absorb the costs.

Improvements in the financial results of the service in the domestic offshore trades would have the practical effect of possibly delaying the imposition or reducing the amount of any future general increase in commercial rates. Any future general rate increase required to bring a carrier's rate of return on investment to a more acceptable level would be spread over a broadened cargo base. This would effectively reduce the percentage of increase assessed against commercial rates.

Deletion of section 6 need not mean that the government and commercial rates will be the same. In instances where the government can show that there are cost savings in the carriage of government cargo, it would be entitled to obtain lower rates. Furthermore, the government would have the full protection of the 1933 Act against unfair rates and/or procedures.

MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT OF 1972

The bill (H.R. 15540) to extend for 1 year the authorization for appropriations to implement title I of the Marine

Protection, Research, and Sanctuaries Act of 1972, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93-1279), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE LEGISLATION

The purpose of H.R. 15540 is to amend the Marine Protection, Research, and Sanctuaries Act of 1972, in order to authorize for fiscal year 1975 appropriations of not to exceed $5,500,000 to carry out the purposes of title I of the Act. This statute, commonly referred to as the Ocean Dumping Act, is the Federal Government's mechanism for controlling and regulating the dumping of land-generated wastes at sea. This bill extends that statute for an additional year.

BACKGROUND AND NEED

In April 1970, the Council on Environmental Quality was directed by the President to make a study of disposal of waste materials in the oceans. In October 1970, the Council completed and published its Report to the President. The Report, which was entitled "Ocean Dumping—A National Policy", formed the basis for the Administration legislative proposal that became the Marine Protection, Research, and Sanctuaries Act of 1972 (Public Law 92-532). Public Law 92-532, which was reported by the Committee on Commerce in the second session of the 92d Congress, enacted into law the basic recommendations of CEQ's Report on Ocean Dumping.

During the period that Public Law 92-532 was being developed in the Congress, the Executive was taking action to achieve an international agreement covering the same subject matter. That initiative ultimately culminated in the Convention on the Preventions of Marine Pollution by Dumping of Wastes and Other Matter. This Convention has been ratified by the United States and its provisions were incorporated into the basic Domestic Ocean Dumping Act by Public Law 93-254, enacted March 22, 1974. Certain provisions of the amendatory legislation became effective immediately upon enactment. Other provisions will come into effect when the Convention enters into force.

The basic Act, as amended, provides for a regulatory scheme to control all materials transported from the United States for the purpose of dumping the material into ocean waters. In addition, the Act controls the dumping of materials originating outside the United States, if such dumping takes place in ocean waters subject to the jurisdiction or control of the United States or if the transportation is undertaken by Federal departments and agencies or on U.S-flag vessels.

The Marine Protection, Research, and Sanctuaries Act of 1972 was enacted into law on October 23, 1972, and became effective 6 months thereafter on April 23, 1973. In passing this legislation, the Congress made a national commitment for the protection of a part of the environment which had not previously been the subject of any protective regulatory activities. Rather than a reactive measure, the Act anticipated the national need to protect ocean waters, which are so vital to the continued existence of mankind. Prior to the passage of the basic Act, some 200 dumping sites were in use for disposal of waste materials at sea and only 10 of those sites had even been studied as to the potential impact of disposal on the ocean environment. There was, therefore, a great dearth of the knowledge on the subject and more information and greater understanding needed to be acquired if the permit program for ocean waste disposal was to be managed rationally. The Act, therefore, imposes specific research responsibilities on the National Oceanic and Atmospheric Administration, in addition to the general permit responsibilities of the Environmental Protection Agency and of the Army Corps of Engineers.

The Ocean Dumping Act is being extended for 1 year to enable the Committee to conduct oversight hearings during the first session of the 94th Congress. Further extension will depend on the findings of such congressional investigation.

It is clear that the Congress has made a national commitment in this area, and that the United States has extended that commitment internationally by ratifying the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter. The present authorization for funding under the Act, however, expired on June 30, 1974. Although the program may continue to operate through September 30, 1974, under the terms of the joint resolution, passage of H.R. 15540 is essential to permit it to continue thereafter. The request for a 2-year extention of title I of the Act was included in an Executive Communication from the Environmental Protection Agency, dated June 20, 1974. As noted, the Committee has decided that an extension of 1 fiscal year should be legislated to allow completion of the oversight hearings, since passage of the bill is essential in order to permit the program to continue. The Committee, therefore, approved the House amendment to accomplish the 1-year extension and, by unanimous voice vote, recommended favorable action on the bill.

ESTIMATED COSTS

Pursuant to section 252 of the Legislative Reorganization Act of 1970, the Committee estimates that the additional cost to the Government as a result of the enactment of H.R. 15540 would be not more than $5.5 million for 1 year.

GIFTS AND POLITICAL CONTRIBUTIONS

Mr. HUGH SCOTT. Mr. President, where is the American Civil Liberties Union?

There has been blown up a frenetic furor affecting the civil rights of an individual, and few have risen to his defense. There is an enormous clattering of the cackling claques concerning the right of a man to be generous with his own means.

I cannot find in the Constitution or the Bill of Rights or the amendments that it is legally or morally wrong for a man to do what he will with his money, so long as he does not violate any law or offend the conscience or the sense of right of those who would have the responsibility of standing in judgment upon him or those who would be expected to base their opinions on issues of right or wrong.

The Vice-President-designate is written up in every paper, and questions are asked of every public official, beginning, "What do you think of Governor Rockefeller's gifts?"

Approximately one-fifth of the Senate and the House have received those gifts in the form of campaign contributions. I do not believe they questioned it at the time. They were members of both parties in the House and in the Senate.

As is well known, I am opposed to the whole system of political contributions. The Senator from Massachusetts (Mr. KENNEDY) and I succeeded in having passed in this body a measure, which was not accepted by the other body in conference, which would have provided for public financing of congressional elections. But, as long as this is the system under which we live, I think those who have benefited from contributions from their supporters who believe in them are ill-advised to assume a mantle of indignation if someone has legitimately made such contributions in political campaigns.

Surely, there is no legal or moral wrong where one has had an employee or an aide work for him for 6, 8, 10, or 12 years, where in one case a man gave up his entire career to work for Governor Rockefeller. Those people are rewarded after their service in the same way in which businesses award bonuses or gratuities to their associates or former associates. Labor unions provide it for men retiring after distinguished service; business corporations provide for it. Yet, an unwarranted implication is being set up here as if acts of generosity were wrong. Mr. Charles Bartlett, in his column, points out how hypocritical that is, and he is right.

In my opinion, if you are going to say that someone who gives one, two, three million dollars a year to charity has no right to do it, then change the law. If you are going to say that a man has no right to reward those who have worked for him for many years, at the cost of what they might have been doing otherwise, then change the law. If you are going to say that political contributions cannot be made, then change the law, as the Senator from Massachusetts (Mr. KENNEDY) and I have urged. But do not engage in all this mewling and puking hypocrisy which nobody who writes it believes and nobody who speaks it believes.

I am tired of that kind of nonsense going on. I think we ought to set the record straight, and I am seeking to do just that.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Michigan (Mr. GRIFFIN) is recognized for not to exceed 15 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan suggest the absence of a quorum on his time?

Mr. GRIFFIN. Yes.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, I yield back any time that I may have remaining under the special order.

The ACTING PRESIDENT pro tempore. Under the previous order, the

Senator from West Virginia (Mr. ROBERT C. BYRD) is now recognized for not to exceed 15 minutes.

MEASURES ORDERED TO BE PLACED ON THE CALENDAR—SENATE CONCURRENT RESOLUTION 118 AND SENATE RESOLUTION 430

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 118, to establish a ceiling on fiscal year 1975 expenditures, which is coming over under the rule, and Senate Resolution 430, to express the sense of the Senate that the domestic price of oil not be decontrolled, which is coming over under the rule, be placed on the calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXEMPTION FROM DUTY ON CERTAIN FORMS OF ZINC—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG, I submit a report of the committee of conference on H.R. 6191, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6191) to amend the Tariff Schedules of the United States to provide that certain forms of zinc be admitted free of duty, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

Mr. ROBERT C. BYRD. Mr. President, I ask that further action on the conference report be delayed briefly.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Later in the day the following proceedings occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Louisiana (Mr. LONG) in explanation of the conference report.

The ACTING PRESIDENT pro tempore. Witthout objection, it is so ordered.

STATEMENT BY SENATOR LONG

The original House bill would have suspended until June 30, 1977 the duty on zinc-bearing ores, zinc dross and zinc skimmings and zinc-bearing materials. The first Senate amendment to the bill also provides for the temporary duty-free treatment of zinc waste and scrap. The House has accepted this amendment.

The second amendment made by the Senate to the bill deals with certain disaster losses where taxpayers were allowed flood casualty loss deductions and subsequently were compensated for those losses based on claims of tort. The amendment specifies that a taxpayer in these circumstances, instead of taking the compensation into income in the year received, may reduce the basis of the damaged property (or replacement property) by the amount of compensation received, up to a maximum of $5,000, in terms of tax benefits. This amendment is intended only to benefit lower income people, which is why the provision provides a reduction of the $5,000 tax benefit to the extent of the ratio of the taxpayer's adjusted gross income to $15,000. For example if a taxpayer has $30,000 of adjusted gross income in a year, he will be limited to one-half of the maximum $5,000 of tax benefits, or to $2,500. The amount of the benefits in excess of this level are to be included in income of a taxpayer in equal installments over a 5-year period. As a result, the excess amount would be spread over this period of years rather than being included in the income in a single year.

The House has agreed to this amendment and proposed its application to other aspects of disaster losses. As a result, the income tax consequences of this amendment will also be applied in the case of the cancellation of certain Federal disaster assistance loans made during 1972. These cases concern the tax treatment of the disaster losses resulting from Hurricane Agnes and certain other serious disasters in 1972 which produced severe hardships on the part of the people affected by them. As a result of these disasters, Federal disaster assistance loans were made and, subsequently, these loans were forgiven. From a tax standpoint, this forgiveness is required to be taken into income by the taxpayers. This amendment provides that if such a loan is cancelled in whole or in part, the taxpayer does not have to include that forgiveness in income for that year. The maximum amount of a disaster loss which could be cancelled under Federal law to which this amendment applies is $5,000. This provision, as in the case of the original Senate amendment, is intended to apply to lower income taxpayers. Thus, if a taxpayer's income is less than $15,000, the entire amount forgiven—to the extent of a tax benefit of $5,000—would be disregarded for income tax purposes. If the taxpayer's income is above $15,000, he is permitted to disregard for tax purposes a percentage of the amount cancelled equal to the ratio of his income to $15,000.

The Senate conferees believe that both of these amendments are equitable and are badly needed by those victims of disaster losses if they are to recover from their severe hardships.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG, I move the adoption of the conference report on H.R. 6191.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virgina.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will report the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with an amendment as follows:

At the end of the said statement, insert:

(d) (1) In the case of an individual—

(A) who was allowed a deduction under section 165 of the Internal Revenue Code of 1954 (relating to losses) for a loss attributable to a disaster occurring during calendar year 1972 which was determined by the President, under section 102 of the Disaster Relief Act of 1970, to warrant disaster assistance by the Federal government, and

(B) who received a disaster loan under section 7 of the Small Business Act or an emergency loan under subtitle C of the Consolidated Farm and Rural Development Act, for purposes of determining the amount of the deduction allowable under such section 165 of the Code with respect to such loss, and for purposes of the determining gross income under section 61 of such Code, such an individual is not required to take into account any part of any such loan which was cancelled under the provisions of section 7 of the Small Business Act or section 328 of the Consolidated Farm and Rural Development Act, except to the extent required under paragraph (2).

(2) In the case of an individual described in paragraph (1) whose adjusted gross income for the year in which the loss occurred exceeded $15,000, the provisions of such paragraph apply only to so much of any loan cancelled under the provisions of section 7 of the Small Business Act or section 328 of the Consolidated Farm and Rural Development Act as bears the same ratio to the amount so cancelled as $15,000 bears to such individual's adjusted gross income for such taxable year.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG, I move that the Senate concur in the House amendment to Senate amendment No. 2.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

ORDER FOR ADJOURNMENT UNTIL 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until the hour of 9 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(A subsequent order provided for adjournment to 10 a.m. tomorrow.)

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. HELMS) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE RECEIVED DURING THE ADJOURNMENT OF THE SENATE

ENROLLED BILLS SIGNED

Under authority of the order of the Senate of October 11, 1974, a message from the House of Representatives was received on October 11, 1974, stating that the Speaker had affixed his signature to the following enrolled bills:

S. 3234. An act to authorize a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy as a viable source for our national energy needs, and for other purposes; and

H.R. 12628. An act to amend title 38, United States Code, to increase vocational rehabilitation subsistence allowances, educational and training assistance allowances, and special allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish an education loan program for veterans and persons eligible for benefits under chapter 34 or 35 of such title; to make other improvements in the educational assistance program and in the administration of educational benefits; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service, by increasing the employment of veterans by Federal contractors and subcontractors, and by providing for an actioon plan for the employment of disabled and Vietnam era veterans within the Federal Government; to codify and expand veterans' reemployment rights; and for other purposes.

MESSAGES FROM THE HOUSE

At 12:25 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (S. 1296) to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes, with amendments in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 7730) to authorize the Secretary of the Interior to purchase property located within the San Carlos mineral strip, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House 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. 3838) to authorize the regulation of interest rates payable on obligations issued by affiliates of certain depository institutions, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 13342) to amend the Farm Labor Contractor Registration Act of 1963 by extending its coverage and effectuating its enforcement, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 12281) to continue until the close of June 30, 1975, the suspension on certain forms of copper.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 15643) to reorganize public postsecondary education in the District of Columbia, to establish a Board of Trustees, authorize and direct the Board of Trustees to consolidate the existing local institutions of public postsecondary education into a single Land-Grant University of the District of Columbia, direct the Board of Trustees to administer the University of the District of Columbia, and for other purposes.

The message further announced that the House passed the following bill and agreed to the following concurrent resolution in which it requests the concurrence of the Senate:

H.R. 16925. An act to make technical amendments to the Act of September 3, 1974, relating to salary increases for District of Columbia police, firemen, and teachers, and to the District of Columbia Real Property Tax Revision Act of 1974, and for other purposes; and

H. Con. Res. 667. A concurrent resolution to establish a target for budget outlays for fiscal year 1975 in the amount of $300 billion.

The message also announced that, pursuant to the provisions of section 5, Public Law 93-426, the Speaker appointed Mr. REES and Mr. J. WILLIAM STANTON members on the part of the House of the National Commission on Supplies and Shortages.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6191) to amend the Tariff Schedules of the United States to provide that certain forms of zinc be admitted free of duty; that the House recedes from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill and concurs therein with an amendment in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11830) to suspend the duty on synthetic rutile until the close of June 30, 1977.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7780) to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk; that the House recedes from its disagreement to the amendment of the Senate numbered 3 and concurs therein; that the House recedes from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill and concurs therein with an amendment in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11251) to amend the Tariff Schedules of the United States to provide for the duty-free entry of methanol imported for use as a fuel; that the House recedes from its disagreement to the amendments of the Senate numbered 4 and 5 to the aforesaid bill and concurs therein, each with an amendment in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11452) to correct an anomaly in the rate of duty applicable to crude feathers and downs, and for other purposes; that the House recedes from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill and concurs therein; and that the House recedes from its disagreement to the amendment of the Senate numbered 7 to the aforesaid bill and concurs therein with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12035) to suspend until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts; that the House recedes from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 4 and concurs therein, each with amendments, in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13631) to suspend for a temporary period the import duty on certain horses; that the House recedes from its disagreement to the amendments of the Senate numbered 1 and 2, each with amendments, in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing

votes of the two Houses on the amendments of the Senate to the bill (H.R. 6642) to suspend the duties of certain bicycle parts and accessories until the close of December 31, 1976; that the House recedes from its disagreement to the amendments of the Senate numbered 7 and 9 and concurs therein; that the House recedes from its disagreement to the amendments of the Senate numbered 5, 6, and 8 and concurs therein, each with amendments, in which it requests the concurrence of the Senate; and that the House recedes from its disagreement to the amendment of the Senate to the title of the bill and concurs therein.

At 3 p.m., a message from the House of Representatives by Mr. Hackney announced that the House has passed without amendment the joint resolution (S.J. Res. 250) to extend the Regional Rail Reorganization Act's reporting date, and for other purposes.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 14597) to increase the limit on dues for U.S. membership in the International Criminal Police Organization.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 15736) to authorize, enlarge, and repair various Federal reclamation projects and programs, and for other purposes.

The message also announced that, on reconsideration, and two-thirds of the House of Representatives not having voted in the affirmative, the joint resolution (H.J. Res. 1131) making further continuing appropriations for the fiscal year 1975, and for other purposes, returned by the President of the United States with his objections, failed of passage.

The message further announced that, on reconsideration, and two-thirds of the House of Representatives having voted in the affirmative, the bill (H.R. 15301) to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes, returned by the President of the United States with his objections, was passed.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE) laid before the Senate the following letters, which were referred as indicated:

RETROACTIVE PAY INCREASES

A letter from the Director of the Office of Management and Budget certifying, pursuant to law, to the additional amounts needed by agencies of the legislative, judicial, and executive branches and furnished to the Treasury Department (with accompanying papers). Referred to the Committee on Appropriations.

REPORT OF THE ATOMIC ENERGY COMMISSION

A letter from the Assistant General Manager and Controller of the Atomic Energy Commission transmitting, pursuant to law, the 1974 Financial Report of the Commission (with an accompanying report). Referred to the Joint Committee on Atomic Energy.

PROPOSED LEGISLATION TO AMEND THE FEDERAL POWER ACT

A letter from the Chairman, Federal Power Commission, transmitting a draft of proposed legislation to amend section 305 of the Federal Power Act (with accompanying papers). Referred to the Committee on Commerce.

PROPOSED TELECOMMUNICATIONS FACILITIES ACT OF 1974

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the educational broadcasting facilities program and to provide authority for the support of demonstrations in telecommunications technologies for the distribution of health, education, and social service information, and for other purposes (with accompanying papers). Referred to the Committee on Commerce.

INTERNATIONAL AGREEMENTS OTHER THAN TREATIES

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into during the past 60 days (with accompanying papers). Referred to the Committee on Foreign Relations.

REPORT OF THE ADVISORY COMMISSION ON INFORMATION

A letter from the Chairman of the Advisory Commission on Information transmitting, pursuant to law, the report of the Commission dated July 1974 (with an accompanying report). Referred to the Committee on Foreign Relations.

REPORTS OF THE COMPTROLLER GENERAL

Two letters from the Comptroller General of the United States transmitting, pursuant to law, two reports entitled "Examination of Financial Statements of the National Flood Insurance Program Fiscal Year 1973" and "Examination of Financial Statements of the Federal Home Loan Mortgage Corporation for the Year Ended December 31, 1973" (with accompanying reports). Referred to the Committee on Government Operations.

REPORT OF NEGOTIATED SALES CONTRACTS

A letter from the Director, U.S. Department of the Interior, transmitting, pursuant to law, a report of negotiated sales contracts made under Public Law 87-698 (79 Stat. 587) for disposal of materials during the period January 1 through June 30, 1974 (with accompanying documents). Referred to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

A letter from the Director of the Administrative Office of the U.S. Courts transmitting a draft of proposed legislation to allow for a more flexible treatment of rehabilitated persons (with accompanying papers). Referred to the Committee on the Judiciary.

ADDENDUM TO THE CONSUMER PRODUCT SAFETY COMMISSION'S 1976 BUDGET SUBMISSION

A letter from the Acting Director, Office of Resource Utilization transmitting, pursuant to law, an addendum to the Consumer Product Safety Commission's 1976 budget submission (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

GUARANTEED STUDENT LOAN PROGRAM—NOTICE OF PROPOSED RULEMAKING

A letter from the Under Secretary of Health, Education, and Welfare, transmitting, pursuant to law, notice of proposed rulemaking, guaranteed student loan program (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

REPORT OF THE CIVIL SERVICE COMMISSION

A letter from the Chairman of the Civil Service Commission transmitting, pursuant to law, a report entitled "Employment Programs for Public Offenders in the Federal Service" (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION TO AMEND THE FEDERAL WATER POLLUTION CONTROL ACT

A letter from the Administrator, U.S. Environmental Protection Agency, transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (with accompanying papers). Referred to the Committee on Public Works.

PROPOSED LEGISLATION BY THE ENVIRONMENTAL PROTECTION AGENCY

A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to amend the Federal Water Pollution Control Act (with accompanying papers). Referred to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. PROXMIRE):

A resolution adopted by the Legislature of the Territory of Guam. Referred to the Committee on Interior and Insular Affairs:

"RESOLUTION No. 301

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, with the passage and implementation of Public Law 12-85, the Twelfth Guam Legislature exercised an option under the Organic Act to confer substantial original and appellate jurisdiction over local matters to the reorganized Judicial Branch; and

"Whereas, it is paradoxical that this branch, whose jurisdiction is defined by local statute should be subordinate in status to the Executive and Legislative Branches which are created by federal law; and

"Whereas, it is indispensable for the perpetuation of a democratic system of government on Guam with an adequate system of checks and balances, that each of Guam's three branches of government be co-equal with powers derivative from a common source; and

"Whereas, it would be most desirable for Guam through an expression of its natural sovereignty to establish a common constitutional source for its government branches, this expression must regretably stem from a bilateral agreement between Guam and the United States; and

"Whereas, in the interim, it would be desirable that the Judicial Branch have jurisdiction over all litigation concerning the Guam Territorial income tax, and that litigants have a line of appeal and certiorari to the United States Supreme Court as is enjoyed by the people of the Free Associated State of Puerto Rico; now therefore be it

"*Resolved*, that the Twelfth Guam Legislature does hereby on behalf of the people of Guam respectively request, petition and memorialize the Congress of the United States of America to amend the Organic Act of Guam so as to establish the Judicial Branch as reorganized by Public Law 12-85 as a co-equal branch of the government of Guam, so as to confer jurisdiction over all litigation concerning the Guam Territorial income tax in the Judicial Branch and so as to establish a line of appeal and certiorari from the Guam Supreme Court to the United States Supreme Court; and be it further

"*Resolved*, that the Speaker certify to and the Legislative Secretary attest the adoption

hereof and that copies of the same be thereafter transmitted to the Secretary of the Interior, to the Speaker of the House of Representatives, to the President of the Senate, to the Chairmen of the Committee on Interior and Insular Affairs, U.S. Senate and House of Representatives, to the Guam's Delegate to the U.S. House of Representatives and to the Governor of Guam.

"Duly and regularly adopted on the 23rd day of September, 1974.

"G. M. BAMBA,
"Legislative Secretary.
"F. T. RAMIREZ,
"Speaker"

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. ROBERT C. BYRD, from the Committee on the Judiciary:

George Beall, of Maryland, to be U.S. attorney for the District of Maryland;

Charles W. Koval, of Pennsylvania, to be U.S. marshal for the Western District of Pennsylvania; and

Johnny M. Towns, of Alabama, to be U.S. marshal for the Northern District of Alabama.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILL REFERRED

The following bill was read twice by its title and referred to the Committee on the District of Columbia:

H.R. 16925. An act to amend technical amendments to the act of September 3, 1974, relating to salary increases for District of Columbia police, firemen, and teachers, and to the District of Columbia Real Property Tax Revision Act of 1974, and for other purposes.

ENROLLED BILL SIGNED

The enrolled bill (S. 3044) to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections, and for other purposes, having been previously signed by the Speaker of the House of Representatives, was signed today by the Acting President pro tempore (Mr. METCALF).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, October 15, 1974, he presented to the President of the United States the following enrolled bills:

S. 2362. An act granting the consent of Congress to the Cumbres and Toltec Scenic Railroad Compact; and

S. 3044. An act to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JACKSON:

S. 4141. A bill authorizing the erection of a statue to commemorate the founding of Marine Barracks, Washington, D.C., by President Thomas Jefferson. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JACKSON:

S. 4141. A bill authorizing the erection of a statute to commemorate the founding of Marine Barracks, Washington, D.C., by President Thomas Jefferson. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, just 174 years ago, the U.S. Marine Corps headquarters moved to Washington from Philadelphia.

During the summer they lived in tents, and during the winter in rented buildings. But the Commandant, William Ward Burrows, was a friend of President Jefferson, and they managed to get Congress to agree to an appropriation for a permanent barracks.

In their book, "A Compact History of the U.S. Marine Corps," Phillip N. Pierce and Frank O. Hough tell how Burrows and Jefferson rode together around Washington and finally selected a site in the southeast section of the city near the Washington Navy Yard.

The appropriation, however, was sufficient only to purchase the land and buy materials. So, the Marines built their own barracks and a house for the commandant. They moved in in 1805. Here they have since remained—in one of the oldest continuously occupied military posts in the United States.

Mr. President, I now introduce for appropriate reference a bill to commemorate the founding of the Marine Barracks by President Jefferson and Commandant Burrows. It calls for a statue of the two to be erected at an appropriate site at the barracks.

Felix DeWeldon, famed for his sculpture of the Iwo Jima World War II Memorial in Arlington, has offered to execute the work without fee.

I think this is most fitting, Mr. President, and I hope the Senate will act promptly on this legislation.

NOTICE OF HEARING

Mr. HRUSKA. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, November 14, 1974, at 10:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nominations:

Donald D. Alsop, of Minnesota, to be U.S. district judge for the district of Minnesota, vice Philip Neville, deceased.

Juan R. Torruella Del Valle, of Puerto Rico, to be U.S. district judge for the district of Puerto Rico, vice Hiram R. Cancio, resigned.

Any persons desiring to offer testimony in regard to these nominations, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Mississippi (Mr. EASTLAND) chairman; the Senator from Arkansas (Mr. MCCLELLAN) and myself.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. HRUSKA. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Marjorie W. Lynch, of Washington, to be Deputy Administrator of the American Revolution Bicentennial Administration (new position).

William E. Amos, of Maryland, to be a member of the Board of Parole for the term expiring September 30, 1980 (reappointment).

Frank X. Klein, Jr., of California, to be U.S. marshal for the northern district of California for the term of 4 years, vice George E. Tobin, term expired.

George J. Reed, of Oregon, to be a member of the Board of Parole for the term expiring September 30, 1980 (reappointment).

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Tuesday, October 22, 1974, any representation or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

WHAT ABOUT CUBA?

Mr. CURTIS. Mr. President, all too often in our discussions recently concerning our policy towards the Castro regime in Cuba we have been left with the implication that we are only dealing with one small and rather insignficant nation. The usual nonsequitor that has been continually heard goes as follows: if we can have a detente policy and a lessening of tensions with the People's Republic of China and the Soviet Union, then certainly we should be able to get along with a small nation only 90 miles off our coast.

However, fetching such a proposition may sound on the surface, it fails to take into account either the nature of our detente policies with the Soviet Union or China nor the full parameters of the problems associated with Cuba. Although we have certainly had numerous discussions and agreements with the Soviet Union we have not deluded ourselves into thinking an adversary relationship between our two countries has ceased. Similarly most of our dealings with the communists in Peking have been generated by the mutual needs of our respective countries rather than any convergence of ideals and objectives. As in our dealings with China and the Soviet Union we must find some quid pro quo for reducing the present embargo we have maintained against Castro.

In most of the discussions so far on the change of policy toward Castro, all of the benefits of such an alteration appear to be on his side of the ledger. Largely because of the imposition of a Communist system upon the people of Cuba, Castro has continued to suffer severe economic dislocations. The only way that his regime has been able to survive in the past decade has been through a tremendous infusion of funds and materials from the Soviet Union. Both for Havana and Moscow this has been a very costly experiment in the creation of a western Communist system. Estimates of support given Castro run from 1 to 1.5 million per day. There is little wonder then that both Brezhnev and Castro would like to transfer part of their economic burden to the United States. But in the process of desiring an end to American hostility towards Castro, they have been unwilling to make any concessions of their own. Instead we have only had additional unconditional demands placed before us.

In a joint statement issued last February 4, 1974, in Havana, Castro and Brezhnev stated the following:

> The Soviet Union resolutely demands an end to the economic and political and other hostile actions taken against socialist Cuba. It reiterates that it considers the demand of the republic of Cuba for the unconditional removal of the American Guantanamo naval base from its territory as lawful and just, and fully supports this demand.

The close tie between the Soviet Union and Cuba should be a principal consideration as we discuss our own relationship with Castro. For all practical purposes, Cuba has become nothing less than a satellite of the Soviet Union. In 1972 trade between these two countries reached $992.5 million or 47.9 percent of all Cuba's foreign trade that year. The dependency of Cuba upon goods from the Soviet Union is revealed from the fact that 57.5 percent of the value of her imports come from the U.S.S.R. Only 25 percent of Cuba's total trade is with non-Communist countries.

The Soviet Union desires to reduce their economic burden in Cuba. But thus far they have only indicated that any change in policy by their client will come through major concessions by the United States. Thus just as in our dealings with the Soviet Union, such as the sale of wheat, they desire that the United States in effect subsidize their own inefficiencies.

The objective of the Soviet Union in Cuban-American relations was recently summarized quite well in an essay by Morris Rothenberg, research professor at the University of Miami Center for Advanced International Studies:

> Within the context of U.S. acceptance of Cuban terms, the U.S.S.R. would doubtless be more than happy to see the resumption of relations between the U.S. and Cuba. Moscow would consider this as an U.S. acceptance of the irreversibility of communism in Cuba and its ties with the U.S.S.R. as well as attainment by the Soviet Union of a permanent voice in the affairs of Latin America. Restoration of U.S.-Cuban relations would be interpreted as a U.S. "defeat" or, if Moscow felt benevolent, it might be described as a U.S. concession to "realism." It would be seen as meaning that the Monroe Doctrine, long since described by the Kremlin as dead, was being formally buried with U.S. concurrence.

The United States has successfully prevented the Soviet Union from using Cuba as a base for revolutionary expansion in the hemisphere. Having failed to increase Castro's influence in the hemisphere through the support of guerrilla warfare, the Soviets may be encouraging Castro to "legitimatize" his regime and in this manner draw governments away from their close relations with the United States.

First, I think Castro should release all political prisoners and repay the United States for property taken to show his sincerity.

RECOMMENDATIONS ON THE ECONOMY BY HON. COLEMAN LONG OF UNIONTOWN, ALA.

Mr. ALLEN. Mr. President, Hon. Coleman Long, of Uniontown, Ala., is a distinguished Alabamian and American. Mr. Long is one of our outstanding citizens, well versed in economics, statecraft, political science, and philosophy. He is an outstanding businessman and plantation owner and plantation owners in the early days of our Republic contributed the lofty principles and sound foundation upon which our country was founded. I regard him as one of our soundest and most illustrious citizens.

Needless to say, I can vouch for the high quality of his citizenship, honor, character and patriotism. I thought so well of him that I recommended to the President that he name him to the economic summit panel.

The President recommended to me that if Mr. Long would like his specific views on inflation included in the official record of the economic conference and considered by the President's team of economic advisers, that Mr. Long direct his recommendations to Mr. L. William Seidman, executive director, Conference on Inflation, the White House, Washington, D.C. 20500.

In compliance with the President's suggestion, Mr. Long wrote to Mr. L. William Seidman, under date of September 30, 1974, making his suggestions, and I ask unanimous consent that a copy of his letter be printed in the RECORD for the information of my colleagues in the Senate and in the House.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNIONTOWN, ALA.,
September 30, 1974.

HON. L. WILLIAM SEIDMAN,
Executive Director, Conference on Inflation, The White House, Washington, D.C.

DEAR SIR: In compliance with the suggestion of President Ford and Senator James B. Allen, I have outlined my ideas to be included in the official record of the Conference.

It is my intention to couch them in the simplest, most non-technical words in my vocabulary.

(1) The utter fallacy of the John Maynerd Keynes' theory of unbridled over-spending must be terminated. We must balance the budget.

(2) There is no easy way out of our present perilous situation. We must cut government spending to the bone. We must discontinue some unnecessary and non-productive Bureaucracies. We must come up with a surplus and make small token payments on the National Debt. All Monetary Bills originate in the Congress. The Congress must either face up to its responsibility now or accept its responsibility for the tragic destruction of our monetary system and our Democracy. I was in the Army of Occupation in World War One and served as Military Commander of the German Population in the Neuweid area. I saw the tragic results of total inflation and destruction of their monetary system. I pray to God that we will not suffer the same tragedy. We are tottering on the brink of that precipice now.

(3) The most collossal Flim Flam in our recent history is the social security performance. Our Government has collected over Four Hundred Billion Dollars from the workers of America and spent every penny of it. To compound this irresponsible action, they have secreted this fact and do not even mention it in the stated Public Debt.

(4) We have four intelligent, straight thinking men in office now. They are Secretary of the Treasury, William Simon; Federal Reserve Bank Chairman, Arthur Burns; Economist, Allen Greenohan; and American Bankers Association President, Rex Morthland. Let's use them and support them.

Yours Sincerely,

H. COLEMAN LONG.

THE ECONOMY: A CITIZEN'S VIEW

Mr. HELMS. Mr. President, in recent weeks we have heard and read a great deal about the current plight of our Nation's economy. One of the primary concerns has been the present rate of spiraling inflation and the resulting high interest rates which are stifling credit and strangling the housing industry.

Of course, as Senators are aware, I firmly believe that the only real solution is a balanced Federal budget and reduced Government spending. The President has expressed his belief that we must limit spending. I strongly support him in that view.

In addition, we must listen to our constituents, the people back home, who are suffering the consequences of the folly of deficit spending. We must realize that they want Congress to act responsibly in the appropriation of their tax dollars.

A great many people have written to me expressing their thoughts on inflation and the economy generally. Naturally, there are numerous and diverse views. However, one constant theme threads its way through all of the letters: Balance the budget, cut spending.

I would like to share with my fellow Senators one such letter. It is from a citizen of Cary, N.C. It is an example of a concerned citizen who is thinking about the problem and searching for solutions. Mr. President, I hope that those of us in the Congress can address ourselves to the problem and that we too can search for solutions—real solutions to the real problems—not simply temporary steps that serve only to prolong the inevitable and aggravate the illness, but forthright realizations that we must act responsibly in the appropriations process, that we cannot continue the follies of the past.

Mr. President, I ask unanimous consent that a copy of a letter dated October 4, 1974, from Mrs. Jean Hunt of Cary, N.C., be printed in the RECORD at the conclusion of this statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CARY, N.C.,
October 4, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

MR. PRESIDENT: I have followed with much interest your hedge against inflation summit conferences and agree with your stand that something must be done.

As a Realtor, I have seen first hand how the housing market has been affected by high building costs and escalated interest rates. My view is that the public cannot pay the current cost of money and I have heard all of the arguments which by innuendo contend that this is better than no money, etc.

May I point out one or two things for your consideration? First on my list is what I term government interference or subsidy programs. As you know, buyers are subsidized to buy new homes under the "tandem" plan whereby they can secure 7¾% interest rates. The builder is also subsidized inasmuch as he can pay only 4½% discount rates.

The ordinary individual homeowner is therefore discriminated against because the man who buys his home has to pay at least 9½% interest and the seller pays as high as 10% discounts. Naturally, the buyer will shop for the new home first.

My point of view is that if all government affiliated interest rates were consistent and the government would desist selling high interest bonds, which in effect would help Savings & Loan banks, our housing market would correct itself by supply and demand.

Secondly, because of the current high interest rates we have banks which refuse for loans already on the books to be assumed simply because they want to reinvest the money at higher rates. In many cases this kills the sale of the home in question and has really put a crimp in many real estate sales.

I have seen bankers commit to loan money at one rate and go up so consistently with market conditions that they would kill sale after sale. I'm referring to banks who commit for permanent loans if they have the construction loans.

Bankers have enjoyed "high on the hog" returns for so long that we have as many as four banks on one corner. Now they are lamenting because some of their participation projects are now becoming defunct.

Third, I do hope that Congress will strive for a balanced budget. I know that Senator Helms has advocated this long before and since he went to Washington.

As a consumer, I find that across the country utility bills are out of sight. When an average homeowner pays upwards of fifty dollars per month for electricity he has been had. Nevertheless, this is happening. We were for years sold a bill of goods regarding electrical appliances and the need for them. Women can still hang out their wash and cut bills tremendously. If they will cut off water heaters at least half a day, it will reduce the bill by a high percentage. In some cases, near fifty percent.

My last say is please do not push for the extra gas tax that you have advocated. I think the gas purge has gone far enough. More production will increase taxes. That is all the public can stand.

I do not envy you your job, Mr. President, and I am not being critical because you have an awesome job at best. I just hope that my opinions will merit some consideration in your decisions.

Kindest personal regards to you and your family. I have prayed for your wife's complete recovery.

Sincerely,

MRS. JEAN HUNT.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 15 minutes.

The motion was agreed to and, at 12:20 p.m., the Senate took a recess until 12:35 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be an extension of the period for routine morning business for not to exceed 15 minutes with statements limited therein to 5 minutes each.

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

HOUSE CONCURRENT RESOLUTION 667—HELD AT THE DESK PENDING FURTHER DISPOSITION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that House Concurrent Resolution 667, a resolution to establish a target for budget outlays for fiscal year 1975 in the amount of $300 billion, be held at the desk until and pending further disposition on tomorrow.

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

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUSPENSION OF DUTY ON CERTAIN BICYCLE PARTS—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG I submit a report of the committee of conference on H.R. 6642, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6642) to suspend the duties of certain bicycle parts and accessories until the close of December 31, 1976, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33368.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Louisiana (Mr. LONG) in explanation of the conference report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The first four Senate amendments to the bill are simply clerical amendments reflecting the fact that new sections were added to the Senate bill.

Senate amendment 5 applies to the moving expense deduction for military personnel. Since enactment of the 1969 Tax Reform Act, the Internal Revenue Service has, by administrative determination, provided a moratorium with respect to the application of the new moving expense rules in the case of members of the armed services. The most recent extension of the IRS moratorium expires at the end of the present Congress. The Senate amendment extended this moratorium until January 1, 1975, to permit a staff study to be made of possible legislative solutions pertaining to the difficulties presented.

The modification of this amendment agreed to by the House extends the moratorium with respect to the application of the new moving expense provisions to military personnel until January 1, 1976, and makes it clear that this moratorium also applies to the Coast Guard as well as other branches of the armed services.

The sixth Senate amendment repeals the excise tax and other regulatory tax provisions relating to filled cheese. These provisions are no longer necessary because the tax was originally for non-revenue purposes and has produced little revenue. Moreover, the regulatory aspects dealing with filled cheese are presently being handled by the Food and Drug Administration. The House has accepted the Senate amendment.

Senate amendment 7 permits private foundations whose assets are largely invested in the stock of a multistate regulated company (which investment represents 90 percent or more of the stock of the company) to exclude the value of this stock in computing the amount of their required charitable distributions under the private foundation provisions. This amendment permits the retention of 51 percent of the stock of the company in cases of this type by permitting such investments to be ignored in applying the charitable distribution provisions. The House has accepted this Senate amendment.

Current regulations of the Treasury Department require employers to report the wages of their employees on five separate reports each year. In addition to the annual W-2 form which shows the total amount of annual wages paid to and taxes withheld

from each employee, employers also must file a form 941–A at the end of each calendar quarter showing how much they paid to each employee in wages subject to social security tax. Senate amendment 8 was designed to reduce this paperwork burden on private employers by changing certain social security procedures which now make these quarterly reports necessary. Under the Senate amendment, the Treasury Department would have been able to change its regulations to permit private employers to file a single, annual report on a modified W–2 form for each employee and to dispense with the 4 quarterly 941–A reports.

The substitution of a single combined annual report of wages for social security and income tax purposes for the present system which is particularly burdensome to the millions of small businessmen who, for the most part, must make these multiple reports out by hand has been under study for many years. For example, a September, 1971 report of the President's Advisory Council on Management Improvement recommended that a system to achieve this objective be designed and the necessary legislation be submitted. A similar recommendation was presented in an April, 1973 report on "The Federal Paperwork Burden" by the Select Committee on Small Business. The Senate Conferees were, therefore, very reluctant to agree to the deletion from the bill of this amendment which appeared to offer a means of achieving this long-desired relief for small businessmen. The House, however, was not willing to accept the Senate amendment at this time in view of the fact that an intensive study of this matter is currently underway in the Executive branch. The House amendment, therefore eliminates the Senate-passed provisions which would have implemented a system of annual reporting of social security wages and provides instead a statutory basis for the study of this issue. Under the terms of the amendment, however, a joint report of the results of this study including recommendations for implementing such a system must be sent to the Committee on Ways and Means and the Committee on Finance by the Secretaries of Treasury and HEW by the end of this year. The Conferees were assured by the representatives of the Administration that this deadline could and would be met. I am hopeful therefore that, on the basis of this report, we will be able to pass implementing legislation early in the 94th Congress.

The final Senate amendment, number 9, increases the amount of carbon dioxide that may be contained in still wines from 0.277 to 0.392 grams per 100 milliliters of wine. This increase is intended to improve the shelf life of wines with low alcoholic content by permitting the addition of a little more carbon dioxide. It does not change the tax status of these still wines. The House has accepted this Senate amendment.

Mr. ROBERT C. BYRD. Mr. President, I move the adoption of the conference report on H.R. 6642.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will report the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5 to the aforesaid bill, and concur therein within the following amendments:

(1) Page 1, line 15, of the Senate engrossed amendments, strike out "SEC. 22", and insert: "SEC. 82".

(2) Page 2 of the Senate engrossed amendments, strike out "Secretary of Defense" each place it appears, and insert: "Secretary concerned"

(3) Page 2 of the Senate engrossed amendments, strike out "uniformed services" each place it appears, and insert: "armed forces"

(4) Page 2 of the Senate engrossed amendments, strike lines 18 through 23 inclusive, and insert in lieu thereof:

"(b) Definitions.—For purposes of this section, the term—

"(1) 'armed forces' has the meaning given it by section 101(4) of title 37, United States Code;

"(2) 'Secretary concerned' means the Secretary of Defense and, with respect to the Coast Guard, the Secretary of Transportation; and

"(3) 'adjusted gross income' and 'moving expenses' have the meanings given them by sections 62 and 217(b), respectively, of the Internal Revenue Code of 1954."

(5) Page 3, line 2, of the Senate engrossed amendments, strike "1975", and insert: "1976"

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 6 to the aforesaid bill, and concur therein with the following amendments:

(1) Page 4 of the Senate engrossed amendments, after line 13 insert:

"(8) Section 7641 (relating to supervision of operations of certain manufacturers) is amended by striking out 'filled cheese,'."

(2) Page 4 of the Senate engrossed amendments, after line 16, insert:

"(d) Amendment of Internal Revenue Code.—Whenever an amendment in this section is expressed in terms of an amendment to or repeal of a section or other provision, the reference is to a section or other provision of the Internal Revenue Code of 1954."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 8 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert:

"SEC. 5. Study of Combined Annual Reporting for Social Security and Income Tax Purposes.

The Secretary and the Secretary of Health, Education, and Welfare shall (1) study the desirability and feasibility of instituting a system of combined social security-income tax reporting on an annual basis, and the effect of such a system on social security beneficiaries, on the costs to employers and to the social security program, and on the administration of such program, and (2) submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, no later than December 31, 1974, a joint report of the results of such study containing their recommendations as to the provisions, procedures, and requirements which might be included in such a system and the manner in which it might be put into effect."

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Long I move that the Senate concur en bloc with the House amendments to Senate amendments Nos. 5, 6, and 8.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

SUSPENSION OF DUTIES ON CERTAIN YARNS OF SILK—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LONG, I submit a report of the committee of conference on H.R. 7780, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7780) to extend for an additional temporary period the existing suspension of duties on certain classification of yarns and silk, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33369.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Louisiana (Mr. LONG) in explanation of the conference report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The statement follows:

STATEMENT BY SENATOR LONG

The first two Senate amendments are technical in nature, and they have been accepted by the House.

The Senate added a third amendment to this bill dealing with the treatment processes which are treated as mining in computing the percentage depletion allowance for trona ore. This amendment provides that the decarbonation of trona is to be treated as an ordinary treatment process. The effect of this is to continue to allow percentage depletion on trona based on the value of soda ash extracted from it, as was provided prior to 1971. At that time an administrative change was made disallowing the so-called decarbonation process as an ordinary treatment process with respect to trona which, in effect, treated it as a non-mining process for purposes of percentage depletion. The House has accepted this Senate amendment.

The Senate also added a fourth amendment under which the 10-percent Federal excise tax on wagers would be eliminated where they are placed with licensed persons in a State which imposes a State tax on such wagers or their proceeds. This would have affected only wagers made with State-licensed wagering enterprises in Nevada. Those placing wagers with unlicensed persons, in Nevada and elsewhere, would remain subject to the 10-percent excise tax on wagers.

The House has agreed to a substitute provision. This substitute reduces the 10 percent Federal excise tax on all wagers to 2 percent as of December 1, 1974. In addition, the $50 annual occupational tax imposed on persons liable for the tax on wagers and on persons engaged in receiving wagers is increased to $500 as of December 1, 1974. However, persons subject to this tax who, prior to December 1, 1974, have paid the $50 tax for the current fiscal year ending June 30, 1975, will not be subject to the increase in the annual occupational tax for the fiscal year ending June 30, 1975.

The substitute provision also provides specific restrictions as to the disclosure and use of information pertaining to taxpayer compliance with Federal wagering taxes. Although present law provides broad limita-

tions on the publicity of income tax returns, no such restrictions exist for returns and other documents related to the wagering taxes. In 1968, Congress repealed the provision of prior law which provided for public inspection of the names of all persons paying occupational taxes, including the wagering occupational tax. Despite this repeal, current law remains ambiguous in that no specific provision exists barring disclosure of wagering tax information.

Consequently, the substitute attempts to resolve any remaining doubts which may exist under the rationale of two Supreme Court cases. It is expected that these changes with respect to disclosure will remove any constitutional problems regarding enforcement of the wagering taxes.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will report the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4, to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by the said amendment, insert:

Sec. 3. Wagering tax amendments.

(a) Tax on Wagers.—Section 4401 of the Internal Revenue Code of 1954 (relating to imposition of tax on wagers) is amended by striking out "10 percent" and inserting in lieu thereof "2 percent".

(b) Occupational Tax.—Section 4411 of the Internal Revenue Code of 1954 (relating to imposition of occupational taxes) is amended by striking out "$50" and inserting in lieu thereof "$500".

(c) Disclosure of Wagering Tax Information.—

(1) Subchapter C of Chapter 35 of the Internal Revenue Code of 1954 (relating to miscellaneous provisions) is amended by adding at the end thereof the following new section:

"Sec. 4424. Disclosure of wagering tax information.

"(a) General Rule.—Except as otherwise provided in this section, neither the Secretary or his delegate nor any other officer or employee of the Treasury Department may divulge or make known in any manner whatever to any person—

"(1) any original, copy, or abstract of any return, payment, or registration made pursuant to this chapter,

"(2) any record required for making any such return, payment, or registration, which the Secretary or his delegate is permitted by the taxpayer to examine or which is produced pursuant to section 7602, or

"(3) any information come at by the exploitation of any such return, payment, registration, or record.

"(b) Permissible Disclosure.—A disclosure otherwise prohibited by subsection (a) may be made in connection with the administration or civil or criminal enforcement of any tax imposed by this title. However, any document or information so disclosed may not be—

"(1) divulged or made known in any manner whatever by any officer or employee of the United States to any person except in connection with the administration or civil or criminal enforcement of this title, nor

"(2) used, directly or indirectly, in any criminal prosecution for any offense occurring before the date of enactment of this section.

"(c) Use of Documents Possessed by Taxpayer.—Except in connection with the administration or civil or criminal enforcement of any tax imposed by this title—

"(1) any stamp denoting payment of the special tax under this chapter,

"(2) any original, copy, or abstract possessed by a taxpayer of any return, payment, or registration made by such taxpayer pursuant to this chapter, and

"(3) any information come at by the exploitation of any such document,

shall not be against such taxpayer in any criminal proceeding.

"(d) Inspection by Committee of Congress.—Section 6103(d) shall apply with respect to any return, payment, or registration made pursuant to this chapter.".

(2) The table of sections for such subchapter is amended by adding at the end thereof the following:

"Sec. 4424. Disclosure of wagering tax in information.".

(d) Effective Date.—

(1) In general.—The amendments made by this section take effect on December 1, 1974, and shall apply only with respect to wagers placed on or after such date.

(2) Transitional rules.—

(A) Any person who, on December 1, 1974, is engaged in an activity which makes him liable for payment of the tax imposed by section 4411 of the Internal Revenue Code of 1954 (as in effect on such date) shall be treated as commencing such activity on such date for purposes of such section and section 4901 of such Code.

(B) Any person who, before December 1, 1974.—

(i) became liable for and paid the tax imposed by section 4411 of the Internal Revenue Code of 1954 (as in effect on July 1, 1974) for the year ending June 30, 1975, shall not be liable for any additional tax under such section for such year, and

(ii) registered under section 4412 of such Code (as in effect on July 1, 1974) for the year ending June 30, 1975, shall not be required to reregister under such section for such year.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Louisiana (Mr. LONG), I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 4.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia (Mr. ROBERT C. BYRD).

The motion was agreed to.

DUTY-FREE ENTRY OF METHANOL—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Louisiana (Mr. LONG) I submit a report of the committee of conference on H.R. 11251, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11251) to amend the Tariff Schedules of the United States to provide for the duty-free entry of methanol imported for use as a fuel having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

THE ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33370.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by Senator LONG in explanation of the conference report be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The first three Senate amendments to this bill were clerical and conforming amendments, and were accepted by the House.

A fourth amendment added by the Senate to this bill makes a change in the DISC tax deferral provisions relating to export sales. The amendment provides that a financing corporation is not to be prevented from qualifying as a DISC where it holds accounts receivable which arose by reason of the export-related transactions of a related DISC. In effect, the amendment provides for financing arrangements between related corporations whereby the transferee financing corporation will be able to hold these accounts receivable and qualify as a DISC if they arose by reason of the export-related transactions by the related DISC. The House has accepted this amendment.

The Senate also added a fifth amendment which extends the period for special tax treatment of certain low-income housing rehabilitation expenditures for three more years until 1978. The present provision, adopted as part of the Tax Reform Act of 1969, permits taxpayers to depreciate rehabilitation housing expenditures for low-income and middle-income rental housing over a period of 60 months. This provision was enacted for a 5-year period and is to expire at the end of this year. Although the House agreed that this provision should be extended, they insisted on limiting this amendment at this time to cover only bonding contracts arising before the end of this year, rather than providing a general extension of the provision as provided in the Senate amendment. This is because the Ways and Means Committee has provided in the tax bill, presently before it, for the extension of all the 60-month amortization provisions which expire at the end of this year. The concern of the Senate, however, with the treatment of expenditures incurred next year pursuant to contracts made this year has been covered by the amendment agreed to in conference so that the housing-rehabilitation program would not be affected pending Congressional action on the special amortization provision.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4, to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by the said amendment, insert:

SEC. 3. (a) Section 993(b)(3) of the Internal Revenue Code of 1954 (relating to qualified export assets) is amended by striking out "such corporation" and inserting in lieu thereof "such corporation or of another corporation which is a DISC and which is a member of a controlled group which includes such corporation".

(b) The amendment made by subsection (a) applies to taxable years beginning after December 31, 1973. The amendment shall,

at the election of the taxpayer made within 90 days after the date of enactment of this Act, also apply to any taxable year beginning after December 31, 1971, and before January 1, 1974.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 5, to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by the said amendment, insert:

SEC. 4. Notwithstanding the provisions of section 167(k)(1) of the Internal Revenue Code of 1954 (relating to depreciation of expenditures to rehabilitate low income rental housing), the provisions of section 167(k) shall apply with respect to rehabilitation expenditures incurred with respect to low income rental housing after December 31, 1974, and before January 1, 1978, if such expenditures are incurred pursuant to a binding contract entered into before December 31, 1974.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator LONG, I move that the Senate concur en bloc with the House amendments to Senate amendment numbered 4 and 5.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

DUTY APPLICABLE TO CRUDE FEATHERS AND DOWNS—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Louisiana (Mr. LONG), I submit a report of the committee of conference on H.R. 11452, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11452) to correct an anomaly in the rate of duty applicable to crude feathers and downs, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33371.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement in explanation of the conference report by Senator LONG be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The original House bill would have provided for duty-free treatment of certain feathers and downs until December 31, 1979. The Senate amended this to suspend the duty until December 31, 1977. The Conferees agreed to suspend the duty until June 30, 1979.

The Senate also added an amendment dealing with the tax treatment of dividend incom of affiliated life insurance companies. Under present law, life insurance companies are not permitted to file a consolidated return with their affiliates, even though a sufficient stock ownership exists, because the unique method of taxing such companies makes it difficult, from an accounting standpoint, to consolidate their income with their affiliates which are not life insurance companies. As a result, members of the affiliated group receiving dividends from a life insurance company may find the dividends being treated as personal holding company income. This would not be the case, however, if life insurance companies were permitted to file consolidated returns with the other affiliated companies. The Senate amendment treats dividends received by members of an affiliated group from a life insurance subsidiary in the same manner as they would be treated if the life insurance company were permitted to file a consolidated return with the group. The effect of this will be that dividends received by a holding company from a life insurance subsidiary will not be treated as personal holding company income. The House has accepted this amendment.

The Senate added another amendment relating to the value of family farms for estate tax purposes. The amendment would exclude the first $200,000 in the value of the family farm from the taxable estates of those families who have managed their own farms during their lives and have willed them to relatives who plan to carry on the farming. The House conferees believed it was appropriate to deal with this type of provision in connection with a full review of the estate and gift tax provisions. Since the Ways and Means Committee expects to conduct such a review next year and consider this type of problem at that time, the Senate conferees agreed to recede from this amendment.

The final Senate amendment postpones from January 1, 1975 to January 1, 1976 the requirement in current law that Federal employee health coverage be coordinated with Medicare as a condition of Medicare reimbursement for services provided persons eligible under both programs. The one-year postponement is necessary because the Civil Service Commission and the individual Federal employee plans would have great difficulty meeting the current deadline in view of the absence of substantial progress toward coordination thus far.

To encourage timely action, the amendment requires that the Civil Service Commission and the Secretary of Health, Education and Welfare submit a report to the proper Committee of the Congress by March 1, 1975, on the steps then being taken to accomplish the coordination; if the report is not submitted by that date, Medicare would stop paying for services that are covered by a Federal employee plan on July 1, 1975, rather than postponing action to the January 1, 1976 date.

The House has agreed to this Senate amendment

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7, to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by the said amendment insert: SEC. 4.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator LONG I move that the Senate recede from its amendment numbered 6 and that the Senate concur in the House amendment to the Senate amendment numbered 7.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

SUSPENSION OF DUTY ON SYNTHETIC RUTILE—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Louisiana (Mr. LONG) I submit a report of the committee of conference on H.R. 11830, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11830) to suspend the duty on synthetic rutile until the close of June 30, 1977, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33371.)

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator LONG, I submit a statement in explanation of the conference report and ask unanimous consent that it be inserted in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The Senate provided an amendment to this bill to revise the exemption from the excise tax on wages for state-run lotteries to take account of changes in the conduct of state lotteries. The present law exemption is provided for lotteries whose winners are determined by the results of horse races. This is because the first state-run lotteries determined their winners on this basis. Since that time, however, the lotteries have changed their basis for determining winners. This amendment conforms the tax law to present state practices.

Since a provision along the lines of the Senate amendment, but with certain modifications, is contained in the tax bill currently before the Ways and Means Committee, the House conferees believed it was appropriate to deal with this problem in connection with its bill. For this reason, the Senate agreed to recede with respect to this amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

SUSPENSION OF DUTY ON CERTAIN SALTS—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Louisiana (Mr. LONG) I submit a report of the com-

mittee of conference on H.R. 12035, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12035) to suspend until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33372.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by Senator LONG in explanation of the conference report be inserted in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The first Senate amendment made to this bill provides for an extension of time in which the governing instruments relating to charitable remainder trusts may be conformed to meet the requirements of the Tax Reform Act of 1969 insofar as an estate tax deduction is concerned. The 1969 Act required charitable remainder trusts to meet certain requirements in order for the estate to be entitled to an estate deduction for the transfer of a remainder interest to charity. Pursuant to these requirements, which in general applied to decedents dying after December 31, 1969, trusts created after July 31, 1969, must be amended to meet these new requirements by December 31, 1972. The Senate amendment extends until December 31, 1975, the time when amendments must be made for conformity to the new requirements.

The House has agreed to this amendment in general, but provided an amendment to limit the extension of these transitional rules to trusts created or wills executed before September 21, 1974. The revision also makes minor and technical changes in the Senate amendment. It was felt that the right to change the terms of the governing instrument to comply with the 1969 Act should be available only as respects instruments already in existence, and not to instruments drawn in the future.

The second amendment made by the Senate deals with certain scholarships for members of uniformed services. Under present law, the exclusion from gross income for certain amounts received as a scholarship at an educational institution or as a fellowship grant generally does not apply if the amounts received represent compensation for past, present, or future employment services. The Internal Revenue Service has notified the Department of Defense in response to its request for a ruling that certain amounts received by students toward their educational expenses while participating in the recently instituted Armed Forces Health Professions Scholarship Program are includable in their income for tax purposes because of the individual's commitment to future service with the Armed Forces. Thus, under this position the individuals are subject to tax on the amounts received. The Senate amendment provides that the exclusion for scholarship and fellowship grants is to apply to payments made by the Government for the tuition and certain other educational expenses of a member of the uniformed services attending an educational institution under the Armed Forces Health Professions Scholarship Program (or substantially similar programs) until January 1, 1976, pending a review by the staff of the effect of application of this provision. The House has accepted this Senate amendment.

The Senate engrossed amendments to H.R. 12035 also included a section providing similar treatment for certain other student loans where a portion of the loan may be cancelled if the recipient performs certain specified work. Senator Bennett, who offered the second amendment on the Senate floor, had withdrawn this provision from his amendment before it was voted on. This provision should thus not have been included in the Senate engrossed amendments, and therefore was not properly in conference.

The third Senate amendment deals with lease guaranty insurance and insurance of state and local obligations. The amendment permits insurance companies which write lease guaranty insurance and insurance guaranteeing the debt service of municipal bond issues to deduct additions to contingency reserves for periods of 10 or 20 years in accordance with the current treatment of similar additions for mortgage guaranty insurance under present law. Under the Senate provision, however, any tax benefit which would otherwise occur as a result of these deductions is not to be retained by the insurance companies, but instead is to be invested in non-interest bearing Federal bonds. Thus, the United States has the unrestricted use of these funds, and the bonds cannot be redeemed until the reserves are restored to income by the insurance companies. The House has agreed to this Senate amendment.

The final amendment made by the Senate on this bill deals with interest that is forfeited on premature withdrawals. Under present law, individual taxpayers must include interest paid or accrued with respect to time savings accounts or deposits in determining their gross income each year. If an individual prematurely withdraws his funds in these accounts, however, a substantial penalty is imposed, and the individual forfeits part of the interest that he has earned and reported for tax purposes in prior years. Where an individual itemizes his deductions in determining his taxable income, he will be able to claim a deduction for this forfeited interest. However, where he uses a standard deduction he must report the gross amount of interest received but cannot take a deduction for the forfeited interest. The Senate amendment provides for the deduction of such forfeited interest from his gross income so individuals may claim this deduction whether they itemize their deductions or take the standard deduction. The House has agreed to this Senate amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with amendments as follows:

(1) Page 1, line 11 of the Senate engrossed amendments, strike out ["(3) If], and insert: "(3) In the case of a will-executed before September 21, 1974, or a trust created before such date, if.

(2) Page 2, line 6 of the Senate engrossed amendments, strike out [trust or], and insert: *trust*,

(3) Page 2, line 7 of the Senate engrossed amendments, after "664),", insert: or a pooled income fund (described in section 642(c)(5)),

(4) Page 2, line 15 of the Senate engrossed amendments, strike out [organizations) and], and insert: organizations),

(5) Page 2, line 16 of the Senate engrossed amendments, after "decendents)", insert: , and chapter 42 (relating to private foundations)

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the aforesaid bill, and concur therein with amendments as follows:

(1) Page 4, line 8 of the Senate engrossed amendments, strike out [definitions], and insert: Definition of uniformed services

(2) Page 4, of the Senate engrossed amendments, strike out all after line 13 over to and including line 18 on page 5.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the aforesaid bill, and concur therein with an amendment as follows:

Page 5, line 20 of the Senate engrossed amendments, strike out [SEC. 6,], and insert: SEC. 5.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein within amendments as follows:

(1) Page 6, line 21 of the Senate engrossed amendments strike out [SEC. 7.], and insert SEC. 6.

(2) Page 6, line 22 of the Senate engrossed amendments, strike out [(9)], and insert: (10)

(3) Page 6, line 24 of the Senate engrossed amendments, strike out [(10)], and insert: (11)

Mr. ROBERT C. BYRD. Mr. President, I move on behalf of Senator LONG that the Senate concur en bloc with the House amendments to Senate amendments Nos. 1 2, 3, and 4.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

SUSPENSION OF DUTY ON CERTAIN HORSES—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Louisiana (Mr. LONG) I submit a report of the committee of conference on H.R. 13631, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore (Mr. PROXMIRE). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 13631) to suspend for a temporary period the import duty on certain horses, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of October 1, 1974, at p. 33373.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. LONG's statement in explanation of the conference report be inserted in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

Mr. President, the Senate added two amendments to H.R. 13631.

The first Senate amendment is designed to assure that the new Supplemental Security Income (SSI) program for the aged, blind and disabled will not operate in such a way as to increase the burden or non-profit retirement homes which have voluntarily undertaken to absorb a part of the costs of caring for elderly and disabled persons.

Under the SSI program, all forms of income—including room and board furnished for less than cost—are used to reduce the amount of benefits payable. Thus if a non-profit home for the aged subsidizes an aged resident by charging less than full cost, the amount of the subsidy is considered income and serves to reduce the individual's SSI payment. This then requires a larger subsidy which in turn causes a larger reduction in SSI and so on until the SSI payment is reduced to zero. The Senate amendment eliminates such reductions if the cost of the subsidized support and maintenance is borne by the non-profit home or institution or by another non-profit organization.

The House has agreed to accept the Senate amendment with the addition, however, of one clarifying modification. The change made by the House would specify that subsidized support and maintenance will continue to be considered as income to the individual in those cases where the institution has a true obligation to provide full support and maintenance without charge.

Support and maintenance would not be excludable in this case: where an institution has entered into a written contract with an individual under which he makes a single lump-sum nonrefundable payment and the institution guarantees him lifelong care at no further charge—even if he is financially able to make further payment. Similarly, a fraternal organization or labor union which makes free care in its retirement home a benefit of membership would be considered to be providing such care by reason of obligation.

It should be made clear that the House amendment applies only to cases in which an institution has an express and unconditional obligation to provide full support and maintenance without any requirement of payment by the individual. A conditional obligation under which the institution will bear the cost of support and maintenance to the extent that the individual is unable to do so, for example, would not be covered by the modified amendment. In such cases the value of the support and maintenance provided by the institution to the extent it exceeded the amount of payment, if any, actually received from the individual would not be considered as income for the purpose of reducing the SSI payment. Similarly, a generalized commitment undertaken by an institution of maintaining any resident who becomes unable to pay the regular charges would not be considered an obligation for full support and care without payment. This would be true even if the institution has formally acknowledged such a commitment, as for example, in its by-laws or in an application for tax-exempt status for the purpose of complying with the requirements of revenue rulings with respect to meeting the need of aged persons for protection against financial risks associated with later life.

The second Senate amendment is designed to broaden the opportunity for hospitals and skilled nursing facilities who are Medicare providers to judicial review of decisions regarding their reimbursement under the program. Under the amendment, providers can appeal to the Federal courts any decision of the Provider Reimbursement Review Board as well as any affirmation, modification or reversal of a Board decision by the Secretary of Health, Education, and Welfare. In addition, any amount in controversy would be subject to annual interest, payable to the party who won.

The House has agreed to the amendment with a minor change designed to conform the wording of the effective date provision to the text of the original Provider Reimbursement Review Board provision in Public Law 92-603.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1, to the aforesaid bill, and concur therein with amendments as follows:

(1) Page 2, line 12, of the Senate engrossed amendments, strike out [of], and insert: on

(2) Page 2 of the Senate engrossed amendments, strike out lines 20 through 25, and insert:

(b) The amendment made by subsection (a) shall be applicable to cost reports of providers of services for accounting periods ending on or after June 30, 1973.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2, to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by the said amendment, insert:

SEC. 4. Effective January 1, 1974, section 1612(a)(2)(A) of the Social Security Act is amended—

(1) by inserting "(1)" immediately after "exempt that"; and

(2) by inserting immediately before the semicolon at the end of the subparagraph the following: "and (ii) in the case of any individual or his eligible spouse who resides in a nonprofit retirement home or similar nonprofit institution, support and maintenance shall not be included to the extent that it is furnished to such individual or such spouse without such institution receiving payment therefor (unless such institution receiving payment therefor has expressly undertaken an obligation to furnish full support and maintenance to such individual or spouse without any current or future payment therefor) or payment therefor is made by another nonprofit organization".

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senator LONG, I move that the Senate concur en bloc with the House amendments to Senate amendments numbered 1 and 2.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

SUSPENSION OF DUTIES ON CERTAIN FORMS OF COPPER—H.R. 12281

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be permitted to insert in the RECORD at this point a floor statement which has to do with H.R. 12281, such statement being offered by Mr. LONG.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR LONG

The Senate added an amendment to this bill dealing with the adjustment to basis of property received from a subsidiary in the case of certain types of liquidations. The problem here arises from an inequitable tax result because a court changed its own decision after action was taken by the taxpayer on the assumption that the court would stand by its first decision. The amendment permits a taxpayer—which in this case is a steamship company, named State Lines, Inc., which acquired and liquidated a subsidiary prior to July 1, 1957—to deduct a loss occasioned by a contingent liability created as a result of a reversal of a United States Court of Appeals decision. If the Court had not, upon rehearing, reversed its own decision, the liquidation would not have taken place, and the taxpayer would have been in the same position as provided by this bill. The amendment provides that under these conditions a taxpayer who had acquired the assets of a liquidated corporation is to be permitted to deduct the unanticipated loss in the year incurred in the same manner as the liquidated corporation would have been permitted to do if it had remained in existence.

The House has accepted this provision, and the bill thus requires no further Senate action.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider certain nominations at the desk reported earlier today by the Committee on the Judiciary.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

U.S. MARSHAL FOR THE NORTHERN DISTRICT OF ALABAMA

The legislative clerk read the nomination of Johnny M. Towns, of Alabama, to be U.S. marshal for the northern district of Alabama for the term of 4 years.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. MARSHAL FOR THE WESTERN DISTRICT OF PENNSYLVANIA

The legislative clerk read the nomination of Charles W. Koval, of Pennsylvania, to be U.S. marshal for the Western District of Pennsylvania for the term of 4 years.

The ACTING PRESIDENT pro tempro. Without objection, the nomination is considered and confirmed.

U.S. ATTORNEY FOR THE DISTRICT OF MARYLAND

The legislative clerk read the nomination of George Beall, of Maryland, to be attorney for the District of Maryland for the term of 4 years.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

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

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. (Mr. METCALF). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 3 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 3 p.m. today.

There being no objection, the Senate, at 12:56 p.m., recessed until 3 p.m.; whereupon, the Senate reassembled when called to order by the presiding officer (Mr. HELMS).

QUORUM CALL

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. tomorrow.

The PRESIDING OFFICER (Mr. MCCLURE). Without objection, it is so ordered.

ORDER FOR VOTE TOMORROW AT 2:30 P.M. ON PRESIDENT'S VETO OF H.R. 15301, AN ACT TO AMEND THE RAILROAD RETIREMENT ACT OF 1937

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate vote on the override of the President's veto of H.R. 15301, an act to amend the Railroad Retirement Act of 1937, occur tomorrow at 2:30 p.m.

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

ORDER FOR RECOGNITION OF SENATOR GRIFFIN AND SENATOR ROBERT C. BYRD ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow under the standing order, the assistant Republican leader be recognized for not to exceed 15 minutes; that he be followed by the assistant Democratic leader for not to exceed 15 minutes; that there then be a period for the transaction of routine morning business, of not to exceed 10 minutes, with statements therein limited to 2 minutes each.

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

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

RAILROAD RETIREMENT—CONTINUING RESOLUTION—ORDER OF BUSINESS TOMORROW

Mr. HUGH SCOTT. Mr. President, with respect to the overriding of the President's veto on the railroad retirement bill, it is my intention to vote to override the veto of the bill. I am bound to make this statement; I should make it early. Since I am also a spokesman for the administration, when I cannot agree I feel bound to say so. Therefore, if any Senator on this side of the aisle wishes to speak in favor of sustaining the veto, I would transfer my time to him. I say this so that the record will show it.

With respect to the continuing resolution, as the distinguished assistant majority leader knows, the other body has already sustained the veto of the President. Had it come over here, I would have voted, also, to sustain the veto. I understand that the other body is now considering a new continuing resolution. Is that not correct?

Mr. ROBERT C. BYRD. That is correct.

Mr. HUGH SCOTT. There may be amendments to that resolution. Therefore, it would be my hope that as soon as we have disposed of the railroad retirement bill, we could move promptly on the continuing resolution, whether it be amended or not, in order to send it to the President. That would be the desire of the distinguished assistant majority leader, I take it.

Mr. ROBERT C. BYRD. Yes. I have just been visiting in the other body and have talked with the majority leader there.

There is a fairly good prospect that the other body will act on the continuing resolution this afternoon. In any event, I am told by the majority leader there that if the House does not act on that resolution today—and the chances probably are a little less than 50–50—the House will act early on tomorrow. If the Senate convenes at 10 o'clock, it is quite possible that the Senate will be able to conduct some debate and action on the continuing resolution prior to the vote at 2:30 p.m. on the override of the President's veto.

In any event, so that our colleagues will know what the situation is, we can also ask consent now that no votes occur before the hour of 2:30 tomorrow afternoon. Any action that is ready for a vote before the hour of 2:30 p.m. tomorrow, on the continuing resolution, could immediately follow the vote on the overriding of the President's veto.

Mr. HUGH SCOTT. I certainly agree with that suggestion. It is done to accommodate Senators who are in the process of returning to this body. At the same time, there are some Senators who, believing we would recess last week, have made engagements for tomorrow night. I hope that we can have our votes in time, if possible, bearing in mind that this business is overriding, to permit them to keep their engagements.

I may say that this particular Senator has no such engagements, so I do not speak for myself.

May I inquire as to the status of the so-called Price-Anderson bill, which I understood the President was expected to veto? I am not certain, but I thought this bill might come up to us, if it has not already, with his veto message.

Mr. ROBERT C. BYRD. I am under the impression, although I may be wrong, that that bill also originated in the other body. If, therefore, there is an attempt to override the veto, that will come up in the other body first.

Mr. HUGH SCOTT. We have already accomplished a good deal today, I understand, in that nine conference reports have been acted upon.

Mr. ROBERT C. BYRD. And two bills on the calendar have been passed.

Mr. HUGH SCOTT. I thank the distinguished assistant majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

ORDER FOR NO ROLLCALL VOTES TO OCCUR BEFORE THE HOUR OF 2:30 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes occur tomorrow prior to the hour of 2.30 p.m.

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

AMENDMENT OF THE INTERCOASTAL SHIPPING ACT, 1933

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Com-

mittee on Commerce be discharged from its consideration of H.R. 13561, and that the bill be immediately considered.

The PRESIDING OFFICER. The clerk will state it by title.

The assistant legislative clerk read as follows:

H.R. 13561, an act to amend the Intercoastal Shipping Act, 1933.

The PRESIDING OFFICER. Without objection the committee will be discharged, and the Senate will proceed immediately to consideration of the bill.

Mr. GRIFFIN. Mr. President, for the record, as I understand it, this is a House bill which is identical to a Senate bill which has already been passed. This procedure, as I understand it, is being followed in order to send the bill directly to the President.

The PRESIDING OFFICER. The Senator is correct.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

ORDER TO MAKE THE CONTINUING RESOLUTION THE PENDING BUSINESS TOMORROW UPON ITS RECEIPT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the continuing resolution be made the pending business of the Senate tomorrow as soon as it is received, if it is not at the desk at the time morning business has been concluded.

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

VISIT BY THE DUKE OF GLOUCESTER

Mr. HUGH SCOTT. Mr. President, if the distinguished assistant majority leader will yield, for the historical record, perhaps, it should be noted that this morning, just prior to the convening of the Senate, a visit was made to the Senate Chamber by His Royal Highness, the Duke of Gloucester, who had an opportunity to see the way our democratic institutions function, and that he went from here to the other body. We do indeed welcome his visit.

It was my pleasure to show to him the mirror in the Vice President's ceremonial office, which was rescued by Dolly Madison at a time when His Royal Highness' ancestors were busy burning the White House. I assured him that there were no hard feelings. He said that, in his judgment, the removal of that mirror was a tribute to the taste of Dolly Madison.

MR. ROCKEFELLER'S GIFTS TO DR. RONAN

Mr. HELMS. Mr. President, the former Governor of New York, Mr. Rockefeller, has made public his reply to the chairman of the Rules Committee, Mr. CANNON, with reference to his gifts to friends and associates.

While I admire the Governor's willingness to make this information available, the nature of the information is such as to raise a deeper concern than the reply was supposed to lay to rest.

The Governor has plainly stated that he made gifts totaling $625,000 to Dr. William J. Ronan. According to the Governor's account, the first gift of $75,000 was made on December 19, 1958, more than a month after Dr. Ronan assumed the position of personal secretary to the Governor-elect, according to accounts related in the New York Times. On May 3, 1974, according to the Governor, he made a second gift of $550,000, consisting of a forgiveness of six loans totaling $510,000, and a cash gift of $40,000.

According to "Who's Who in America," Dr. Ronan became chairman of the New York Metropolitan Commuter Transportation Authority in 1965. In 1968, he became chairman of the newly reorganized Metropolitan Transportation Authority, which job he presumably held until he became chairman of the New York Port Authority. According to the newspaper accounts, the gift of May 3, 1974, was made between his resignation from the MTA and the initiation of his tenure on the port authority.

At this point, the chronology of the six loans which were forgiven on May 3, 1974, becomes very important. The crucial question is: Were any of the loans made after January 1, 1966, at a time when Dr. Ronan was on the State of New York payroll? For, in 1965, the New York State Legislature passed, and Governor Rockefeller signed, tough legislation laying down the law on conflict of interest. This addition to the so-called public officers law became effective on January 1, 1966. The relevant portion reads as follows:

No officer or employee of a state agency, member of the legislature or legislative employee, shall, directly or indirectly, solicit, accept, or receive any gift, having a value of twenty-five dollars or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing, or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence him, or could reasonably be expected to influence him in the performance of his official duties, or was intended as a reward for any official action on his part.

That is the first relevant portion. The second relevant portion is as follows:

No person shall, directly or indirectly, offer or make any such gift to any officer or employee of a state agency, member of the legislature, or legislative employee under such circumstances.

This is taken from section 73, paragraph 5, Public Officers Law, State of New York (McKinney's Consolidated Laws of New York, Annotated).

There is one other relevant paragraph from the New York law creating the Metropolitan Transportation Authority:

The Authority shall be a State agency for the purposes of sections seventy-three and seventy-four of the Public Officer's Law.

Section 73, of course, is the provision previously read. The latter quote is taken from the Public Authorities Law of New York, article five, title II, section 1263, paragraph 5.

Much of the speculation about the Governor's gifts has been made upon the presumption that no impropriety occurred because the gift technically did not occur until Dr. Ronan left the payroll.

Yet the law, on its face, forbids not only "any gift" but also any "loan" exceeding $25. The law states that it is illegal both to give and to receive such a "loan." Governor Rockefeller has said on the record that he made six loans to Dr. Roman totaling $510,000. Presumably all of the loans exceeded $25.

The question, as I said earlier, is whether or not any of these loans took place after the law became effective on January 1, 1966, and before Dr. Roman went off the State payroll. I am presuming that Dr. Ronan's salary as secretary to the Governor was paid from the State payroll; and his position at MTA clearly fell within the law's ambit. If necessary to ascertain the dates the loans were received, Dr. Ronan's bank deposit records should be subpenaed.

The law apparently treats gifts and loans as the same thing, for the purpose of this law. In any case, Dr. Ronan has been quoted in the press as saying that he did not recall whether any interest had been paid, or at what rate. If no interest was paid, and no repayment schedule was followed, then it might reasonably be concluded that the transaction bears the hallmark of a gift from the very start.

The remaining point to be established so far as the law's applicability lies in the circumstances surrounding the loan or gift. The law forbids such loans or gifts "under circumstances in which it could be reasonably inferred that the gift was intended to influence him, or could reasonably be expected to influence him, in the performance of his official duties, or was intended as a reward for any official action on his part."

The question therefore is what inference can be drawn from loans totaling a half million dollars and made in secret. Dr. Ronan, as Chairman of MTA, was presumably working on projects that were important to the success of the Governor's administration and to his political career. He presided over bond issues, construction projects, and public service disputes whose successes were crucial both to the public and private interests of the Rockefeller family. We must ask ourselves, therefore, whether an invidious inference is "reasonable" under the circumstances.

Now, in the case of Dr. Ronan, special attention must be given to the post he occupied as head of the Metropolitan Transportation Authority. It is difficult for non-New Yorkers to understand the Byzantine ways of New York politics and government, particularly the relationship of the various public authorities to the State and city governments. The job which Dr. Ronan held, however, was in effect the successor post to the job which Robert Moses held as chairman

of the Triborough Bridge Authority. Robert Caro, in his widely acclaimed book on Mr. Moses' career, has an extremely lucid explanation of the independent position which the chairman of such an authority had, and the way in which that position can be used for political power.

According to Mr. Caro, the concept of the authority which Mr. Moses developed was a significant deviation from traditional practice. In the past, an authority was a creature of the city or State, which issued revenue bonds for a specific project, and then went out of business when the bonds were retired. The Triborough Bridge Authority, however, generated unprecedented revenues, which Mr. Moses used to organize a permanent staff of engineers, planners, and public relations men who drew up new projects and promoted them. Mr. Caro says that Mr. Moses got the New York State Legislature to amend the Triborough statutes so that outstanding bond issues could be refunded before they were retired, thus giving perpetuity to the authority, and he wrote special powers of independence into the contracts with the bondholders, contract powers which, under the U.S. Constitution, the State of New York could not abrogate. Moreover, such a public authority is not required to open its books to the public, seek public referendums on its projects, or submit to competitive bidding. The head of such an authority, with millions of dollars at his disposal, therefore becomes a very powerful political figure with whom even a Governor must reckon. Governor Rockefeller spent a decade, Mr. Caro says, in trying to remove Robert Moses, even though Mr. Moses was years past retirement age. As Mr. Caro shows, Mr. Moses was finessed out of office through the merger technique, when Triborough was merged with MTA. Dr. Ronan was installed as chairman of the new authority.

I suggest to my colleagues that they read carefully Mr. Caro's chapter 28, "The Warp on the Loom," which details the growth of the independent authority concept in New York. I also suggest that they read chapter 33, "Leading Out the Regiment," which describes how Mr. Moses welded together a coalition of politicians, lawyers, insurance brokers, bankers, labor leaders, and others through using his unchecked power to dispense contracts and fees. It was apparently this power which passed to Dr. Ronan.

Of special interest in the present circumstances is the power of the head of an authority to promote the bond market, to issue the bonds on particularly favorable conditions, to provide favored banks and syndicates with underwriters' fees that bear little or no risk, to manipulate deposits of cash and securities and so forth. This is obviously a matter of interest because one of the most important banks which could reasonably be expected to be a beneficiary of such activities is Chase Manhattan, the bank which is so closely identified with the Rockefeller family.

I want to make it absolutely clear that I have no knowledge whatsoever of any actions in which Chase Manhattan has been the improper recipient of favors, either from Robert Moses or Dr. Ronan. I make no allegations, because I have no facts. I am only citing the circumstances, as described by Mr. Caro, in which Dr. Ronan took over from Mr. Moses. It is up to the Senate to investigate whether any impropriety occurred in those circumstances, or whether the appearance of impropriety occurred in those circumstances. The New York public officers law is very particular about circumstances, not only with regard to the intention of the participants in the action, but also with regard to what the public might expect in such circumstances, whether impropriety took place or not.

Mr. President, I ask unanimous consent that an excerpt from chapter 33 of Mr. Caro's book, "Robert Moses and the Fall of New York," be printed in the RECORD at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

One cannot dip a toe into the water of New York politics without sensing, moving somewhere deep beneath the surface, the presence of an enormous force, a power unseen but immense: the power of banks.

Banks control the dispensing of huge amounts of insurance and they can dispense it to politicians. Their activities generate immense amounts of legal work and they can dispense the least onerous and most lucrative aspects of that work—local real estate closings, for example—to politicians. They can give politicians access to the inside financial information on which fortunes are made by electing them to their boards of directors, and they can give them fortunes more directly by giving them blocks of their own stock at favorable prices or, more directly still, by giving them unsecured loans which allow them to make investments without the inconvenience or risk of using their own money, and by giving them those loans at interest rates so favorable that the investments can hardly help resulting in a profit. They can give politicians loans of a size that make them rich beyond their dreams.

The acceptance of these—and other—favors puts politicians in the banks' debt. Banks are very good at collecting debts. They collect them with interest. And they collect politicians' debts with interest: the public interest. Decade after decade, what banks wanted from Albany or City Hall, banks got.

Some political analysts speak of the influence of New York's banks as influence exerted almost entirely on the Republican Party, but it is not only Republicans who are interested in money. The power of the great banks of New York crosses party as well as county lines. Within the over-all political structure of New York—city and state—it is all-pervasive and immense. And Moses enlisted it behind his aims.

Banks have one aim: making money. Moses made sure their aim and his coincided. He made sure that banks would make money—quick money, easy money, safe money—from his public works.

Revenue bonds—the key to his authorities' existence and power—were the key to the alliance.

Banks needed authority bonds. Forbidden by federal law from putting the money deposited with them by the public into any but the very safest investments, the very best of what bankers call "good, high-grade paper"—barred specifically from purchasing corporate stock and by inference, inference reinforced by continuing evaluation of their investment portfolios by government regulatory overseers, from purchasing any bonds and notes except those of the most "solid" corporations, of governments and of public authorities—four years of investment-stifling war had left them "loaded with cash," impatient to put it to work earning more cash, and with a drastically insufficient supply of "good, high-grade paper" into which to put it. Jack Madigan, who had spent weeks trying to peddle Henry Hudson Bridge bonds around Wall Street in 1936, was astonished when previously aloof bank presidents began inviting him to lunch in their private dining rooms in 1946—until one, Stewart Becker, president of the Bank of Manhattan, casually remarked over dessert, "You know, Jack, we've got more money than good uses for it." Then he understood. Returning from Becker's table, he told Moses that the banker was asking to be allowed to buy as much as possible of the next Triborough bond issue—and the bartender's son added that he would never have to go hat in hand to bankers again; from now on, bankers would come to him. "It's just supply and demand," he would explain simply. The demand for Triborough's bonds was far greater than the supply.

Of all possible investments legal for banks, moreover, public authority bonds were the most desirable. In selecting investments, bankers had three aims: to keep their money safe, to make as much money as possible with it—and to keep the money they made. Keeping money meant, in postwar America, tax exemption.

Corporate bonds were dependent upon corporate profits, so much more risky than bridge tools. Their yield was higher—in 1968, 8 percent to about 5 percent—but banks had to pay half of their profits (52 percent, later 48 percent)—to the government in taxes, so their yield from a corporate bond would, in terms of money kept, be only 4 percent. So tax-exempt authority bonds had both greater safety and a higher return than corporate bonds.

United States government bonds were as safe as authority bonds, their yield as high, but that yield was subject to state and local taxes; their net yield was lower. State and municipal bonds, exempt from taxes, had net yields about the same as authority bonds. But, in Wall Street's view, they were not as safe since states and municipalities always seemed to be in financial difficulties, and were continually being forced to go to the voters for permission to raise taxes. And who could predict what voters would do? Authorities, on the other hand, grew continually more prosperous, from revenues guaranteed by covenants that were sacred contracts, safe from public whim or will. During the first postwar quarter century, New York City's bonds fluctuated fairly substantially in the ratings they were given for safety. Triborough's held steady, year after year—at AAA, the highest rating given. Ask New York bankers why they are so eager to buy public authority bonds and they begin, as does Dwayne Saunders, vice president of the investment division of the Chemical Bank, by speaking sanctimoniously of "our feeling of responsibility to the community" by financing projects that will benefit it. But the longer one talks to bankers, the less the talk is of responsibility and the more it dwells on more mundane considerations. A Triborough bond "is a very, very high-quality instrument, you know," Saunders says. "And they are paying, say, 5.40, which is [almost] 11 percent. There are corporates out there, but no government stuff. You're always matching yield against safety in this business. Any portfolio manager will try within his limits to maximize his yields—he becomes very, very interested in yield . . . And [authority bonds] are the highest-yielding of any investment-grade security after tax." Higher-yielding than most *risky* investments, higher-yielding even than those riskiest of investments, personal loans—a public authority bond is simply the best investment a bank can make. By far.

Of all public authority bonds, moreover, none were more desirable to banks than Triborough's: by design.

Moses wanted banks to be so anxious to purchase Triborough bonds that they would use all of their immense power to force elected officials to give his public works proposals the approval that would result in their issuance. So although the safety of the banks' money was already amply assured by Triborough's current earnings (so great that each year the Authority collected far more money than it spent), by the irrevocable covenants guaranteeing that tolls could never be removed without the bondholders' consent, and by Triborough's monopoly, also irrevocable, that guaranteed them that if any future intracity water crossing were built, they would share in its tolls, too, Moses provided them with additional assurances. He maintained huge cash reserves—"Fantastic," says Jackson Phillips, director of municipal research for Dun and Bradstreet; "the last time I looked they had ten years' interest on reserve"—and when he floated the Verrazano bonds he agreed to lay aside—*in addition to the existing reserves!*—15 percent ($45,000,000) of the cash he received for the new bond issue, and not touch it until the bridge was open and operating five years later. Purchasers of the Verrazano bonds could be all but certain that they could collect their interest every year even if the bridge never collected a single toll. Small wonder that Phillips says, "Triborough's are just about the best bonds there are." Wall Streeters may believe that "any investment is a bet," but Robert Moses was certainly running the safest game in town.

An additional margin of safety, moreover, was provided by Moses' reputation. "Moses never hesitated to give Wall Street the impression that he would go all out to protect their interests," Phillips says. "We all knew," says a banker, "that Moses would fight for his bondholders." During the previous twenty-two years of its existence, the State Power Authority had never been able to interest the Street in even small proposed bond offerings. In 1954, Moses was named its chairman, and he offered for sale an issue of more than a billion dollars, the largest revenue bond offering in history. "There was some caution," Phillips recalls, "but there was the feeling, 'Look, *Moses* is doing this!'" The issue sold out in four days. Holders of Port Authority bonds were perturbed—although without cause—when, in 1960, New York and New Jersey legislatures teamed up to force it to use its surplus revenues to take over the deficit-ridden Hudson and Manhattan Tubes, but holders of Triborough bonds had no such worries; Triborough's annual surpluses may have been huge—more than $20,000,000 per year and climbing—but Moses made sure that every cent was "committed" to future revenue-, not deficit-, producing projects. "Wall Street loved him for this," Phillips says. And, Wall Street knew, Moses had the power to make these commitments stick. The Municipal Forum of New York is a group of extremely conservative municipal finance and bond analysts who generally accord guests no more than perfunctory applause. Whenever Robert Moses appeared before the Forum, its members, those hard-eyed men of finance, stood as one for an ovation.

Moses offered bankers more than safety.

A high return on their money was already assured—in abundance—by the bonds' tax-exempt status. But Moses provided bankers with a still higher return. The interest rates on his bonds were higher than they needed to be to attract buyers—so much higher that, over the life of a single bond issue, the one floated to finance the Verrazano-Narrows Bridge, bondholders would receive the almost incredible amount of $40,000,000 more than they would gladly have settled for.

And favored bankers didn't have to wait for years to make money on Moses' bonds. He made it possible for them to make money in a single day.

Banks make quick profits on bonds through underwriting, a procedure in which they agree to purchase bonds from the issuing agency in the hope of reselling at a profit those they can't afford to keep themselves.

In the case of Triborough's bonds, of course, "hope" was an inaccurate term. No matter what the "state of the market," every postwar Triborough bond issue was sold out—with many buyers still clamoring for them—within twenty-four hours after the underwriting banks offered them for sale. In the case of Triborough's bonds, therefore, the underwriters' "risk"—the possibility that they may not be able to sell the bonds which is the rationale for the profits underwriters allowed to make—was negligible. And Moses made sure that the underwriters' profits would be huge. He allowed the Verrazano underwriting syndicate, for example, to purchase $300,000,000 worth of bonds from Triborough for $295,760,851. Since these bonds were sold—on the same day they were issued—for $300,570,851, the syndicate reaped a one-day profit of almost five million dollars.

Then there were the smaller morsels.

There were, for example, the "service fees" that Triborough paid banks for authenticating and delivering the bonds; for acting as "paying agents" for the semiannual interest payments; or for acting as "trustee" for the bonds, a job which involved "studying the resolution," collecting an annual "administrative fee" for routine duties connected with it, collecting and cremating the coupons amassed by the paying agents and collecting the bonds when the issue was redeemed. These fees—four cents per coupon for paying agents, for example—seemed small, although Moses' fees were higher than others paid for similar work. But, paid out twice a year, year after year for the forty-year life of the bonds, they mounted up.

Selection as a repository of Triborough deposits was similarly profitable. Moses' agreement to set aside $45,000,000 as a five-year "interest reserve" was in effect an agreement to leave on deposit in banks $45,000,000 on which the banks would not have to pay any interest—but on which they could, by lending it out, collect interest.

Moses' generosity to banks had to be paid for out of the pockets of motorists, of course. If bondholders received tens of millions of dollars extra in interest, drivers would have to pay tens of millions of dollars extra in tolls. The state's Public Authorities Law supposedly keeps the cost to the public of public works as low as possible by prescribing the use of open, competitive bidding on bond sales and all other details of authority operation. But Moses wasn't concerned with the cost to the public. His concern was to enlist in his cause the banks who could use their power to push behind-the-scenes political leaders, as well as state legislators, city councilman, borough presidents—and Mayors and Governors—into approving a public work that they might otherwise not have approved. Open bidding would have defeated this purpose. Banks would not push hard for a public work if they knew that after it was approved they would have to bid against other banks for its bonds—and might not get them at all. Banks would only push hard if they knew before the work was approved that they would profit from it.

So Moses let them know. He inserted in the Public Authorities Law a section—561—that permitted the Triborough Authority to sell its bonds at either open sales or through "private placement," and, of course, he invariably selected "private placement"—with the banks that had been working with Madigan on the issue since its earlist stages

And since the aim of the use of private placement was to place power behind his proposals, he selected as the favored banks those that had the most power to place there.

"Chase"—mighty Chase—had the most The Chase Manhattan Bank, and the Rockefeller family that controlled it. Chase—the principal twentieth-century repository and instrument of the wealth and power of the nineteenth-century Standard Oil robber baron—traditionally, as Theodore H. White notes, "raised the big New York money for Republicans." William O'Dwyer, who tried to buck its power once, found out just how much it had, and later commented bitterly: "There's a dictator in New York City, and I'll tell you who it is. It's the Chase Manhattan Bank." Not that Chase's power was selected by Moses as the trustee of Triborough's bonds and hence was the single largest recipient of the lucrative service fees connected with them.

The Chemical Bank began wheeling and dealing behind the political scenes increasingly during the postwar era, executing an end run around the Federal Corrupt Practices Act by having various officers and directors establish, and contribute heavily to, a "Fund for Good Government" that in its turn made heavy political contributions, notably to the Nassau GOP machine and the Bronx Democratic organization headed by House Public Works chairman Charles A. Buckley. The Chemical Bank was the second-largest recipient of Triborough service fees. A Chemical officer, asked if the bank had ever purchased Triborough bonds, replied: "We bought a ton of them." The remaining service fees—and the lucrative underwriting profits and the right to purchase Triborough bonds direct from the source—were divided up among the Morgan Guaranty Trust, the Marine Midland Bank, the Manufacturers Hanover Trust and the United States Trust, a quartet of banks each of which possessed considerable political clout.

The assets of such banks dwarfed the $200,000,000 of which Tom Shanahan at Federation Bank and Trust was so proud; Chase's assets in 1974 were thirty *billion* dollars. And so was their power. And now this power—the power of the greatest pool of liquid capital in the civilized world—was at the service of Robert Moses. He had a friend at Chase Manhattan, and the friend was its president; "No one will ever be able to thank you adequately for the contributions you have made to the city," David Rockefeller wrote him. He had a friend at virtually every major financial institution in New York. Says one observer of the New York political scene: "Whenever Moses made a proposal—and I mean over a period of years and years and years—you could invariably be sure that behind the scenes, the banks would be pushing for that proposal. Pushing hard."

Mr. HELMS. Mr. President, the Governor has stated that the loans were made out of friendship and affection. I am not questioning the motives of the Governor, since we still do not know if we have all the facts. The law further forbids loans or gifts "which could reasonably be expected to influence him, in the performance of his official duties." So the question does not turn entirely on the Governor's motivation. The legal standard is whether the loans or gifts "could reasonably be expected to influence him." The ultimate question is not what the Governor thought he was doing, but what other people might reasonably think he was doing. So that even though the Governor's intentions might be proper—and I do not intend to characterize them at this time—the ulti-

mate standard is whether such loans or gifts might give a reasonable appearance of impropriety.

The laws of New York, therefore, appear to set a very high standard of conduct, and a very low threshold of illegality. As Senators of the United States, it will become very important to find out exactly when Dr. Ronan was on a State payroll, and when the admitted six loans were made. Governor Rockefeller's motivations may be set aside as an issue, so long as no concrete evidence appears that they were less than altruistic. As Senators we will have to decide whether a loan of a half million dollars made in secret might reasonably be expected to influence a State employee, no matter what human considerations may be involved.

Of course, Dr. Ronan is not the only State employee who was the beneficiary of loans and gifts from Governor Rockefeller. Edwin J. Logue, Alton G. Marshall, Joseph H. Murphy, Jerry Danzig, and perhaps others on the list submitted by the Governor, may have been the beneficiary of loans at the time they were on the State payroll and after the public officers law was enacted. I hope that the Rules Committee will call not only Governor Rockefeller and Dr. Ronan, but also every present or former State of New York employee who has been identified as a loan recipient, so that the chronology and conformity with the law may be ascertained. The Senate does not sit as a judge and jury upon Governor Rockefeller, but before a man is confirmed as Vice President under the 25th amendment, these matters ought to be clarified.

Mr. President, I ask unanimous consent that chapter 28, "The Warp on the Loom," from Mr. Caro's book, which contains an explanation of the development of the public authority concept, be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

[From Robert A. Caro: "Robert Moses and the Fall of New York"]

28. THE WARP ON THE LOOM

No State shall . . . pass any . . . law impairing the obligation of contracts . . . — The Constitution of the United States of America, Article I, Section 10.

The authority shall have power . . . to make contracts. . . . —Consolidated Laws of the State of New York, chapter 43-a, article III, title 3: "Triborough Bridge Authority."

The public authority was not a new device. The first of these entities that resembled private corporations but were given powers hitherto reserved for governments—powers to construct public improvements and, in order to pay off the bonds they sold to finance the construction, to charge the public for the use of the improvements—had been created in England during the reign of Queen Elizabeth. By the time Robert Moses went to Oxford three hundred years later, there were 1,800 such part-public, part-private bodies in England, including the huge Port of London Authority (named "Authority" because the clauses in the Act of Parliament that spelled out its powers began with the words *Authority is hereby given*) and highway-building boards whose roads were named "turnpikes" because they were blocked with horizontal bars (or "pikes") set into revolving pillars that would be turned aside to let a carriage pass only after the toll was paid.

But the public authority concept was new in the United States. There may (or may not—there exists no reliable history of authorities) have been a few collecting tolls on rural roads (hearing rumors of one in North Carolina, Jimmy Walker contemplated setting one up in New York to enrich his friends), but at the time Moses went to Oxford the only urban authorities in existence on the western side of the Atlantic were a bare handful set up to build small water-supply systems. The Port of New York Authority, the first large authority in America, modeled on its London counterpart and created by an interstate compact between New York and New Jersey, would not be created until 1921, would not float its first bond issue until 1926 and would not become financially successful until 1931, when, after five years of near fiscal disaster, it would persuade the two states to let it take over the highly successful Holland Tunnel, which had been constructed by an independent commission.* It was not until the New Deal when Depression-strapped municipalities, unable to finance major public works themselves, suddenly realized that RFC and PWA grants were available for self-liquidating projects, that urban authorities began to be established in any number. In 1933 and 1934, when Moses was playing the crucial role in setting up the Triborough, Bethpage, Jones Beach, Henry Hudson, Marine Parkway and Hayden Planetarium authorities—and a lesser but still key role in the creation of seven other authorities—there were only a few handfuls of other authorities in the entire country.

With the lone exception of the Port Authority, moreover, every public authority created in the United States had been created in a single pattern: each had been established to construct and operate, one, and only one, public improvement, a single isolated bridge or tunnel or sewer system, to issue only enough bonds to pay for the construction of that improvement, and only bonds with a fixed expiration date, and, when that date arrived—or sooner, if revenue was collected faster than expected—to pay off the bonds, eliminate all tolls or fees, turn the improvement over to the city and go out of existence. The Port Authority, empowered to operate several improvements, had become America's first "multi-purpose" public authority, but each of its projects fit the traditional pattern since each was financed by a separate bond issue and both Authority members and public officials expected that as soon as each issue was paid off, the tolls on the facility financed by that issue would be eliminated. † Motivated by the failure of several Port Authority projects to earn enough to meet the interest and amortization payments on their bonds, the Authority's brilliant general counsel, Julius Henry Cohen, was attempting in 1934 to break new ground by devising a new kind of bond and persuading bankers who held the Authority's outstanding bonds to accept the new one in their place. Under the plan Cohen had in mind, the individual bond issues would be combined into a single general issue supported by the revenues from all Port Authority enterprises, a move which would allow use of the Holland Tunnel surpluses to bail out such money losers as its two bridges connecting Staten Island with New Jersey. And since the new issue would be "open-ended," the Authority could use any over-all surplus to finance new projects. The bankers refused to consider "open-end" bonds for unspecified new projects but, in 1935, did agree to a consolidation of outstanding bonds in a "General and Refunding Bond" that could be used for *one* new project—the proposed Lincoln Tunnel—and it was this bond, rather than any devised by Moses, that was the first bond issue in the United States secured not by a single public improvement but by an authority's general revenues.

But Moses went much further. Originally, he had conceived of his authorities in the traditional mold: the legislation he had drafted establishing the Triborough, Henry Hudson and Marine Parkway bodies, for example, had explicitly authorized each to construct on a single, specific project and to issue bonds only for that project; the bonds were to be paid off as soon as possible, and not only was a time limit (forty years) set on their expiration but that time limit also limited the authority's life—as soon as its bonds were paid off, it was to go out of existence and turn over its bridge to the city government. The legislators who had created Robert Moses' authorities and the mayor who under the State Constitution had had to ask the legislators to create them had conceived of them as mere creatures of the sovereign city. Legislators and mayor, as well as the city's citizens, continually reminded by the press of the long tradition that all its bridges be toll-free, had been assured that the tolls would be removed forever as soon as their cost had been paid for. And there had been no deliberate attempt to mislead them: Robert Moses had thought of public authorities as men had always thought of public authorities.

But Robert Moses' thinking was changing.

The primary factor behind the change was money.

The carrying charges—insterest and amortization—on the $5,100,000 in bonds that had been sold to pay for the Henry Bridge were about $370,000 per year, a sum that could be collected, at ten cents per car, from 3,700,000 cars. But the number of drivers handing their dimes to the bridge toll collectors was not 3,700,000. In 1938, it was 10,300,000; in 1939, 12,700,000. And maintenance costs on bridges were, Moses was learning, gratifyingly minimal. Painting the entire Henry Hudson, for example, cost only $18,000, and painting was needed only once in four years. The salaries of toll collectors, the only operating personnel required, totaled less than $50,000 per year: "Our bridge was fabulously successful," Jack Madigan would say. "We were earning—after the carrying charges—$600,000 per year

* Moses had played a small but significant role in the tunnel's construction. One of his first assignments for Al Smith was to analyze two conflicting construction proposals, the commission's plan to build the tunnel by conventional methods at a cost it estimated at $28 million and General George W. Geothals' plan to build it by a new method at a cost Geothals estimated at $12 million. The young reformer, unequipped with the slightest practical experience in construction, interviewed the famed builder of the Panama Canal, and gave Smith his verdict: "a great personality, a go-getter, but neither a great engineer nor a financier." Equally unimpressed with the commission's engineers, he talked with independent experts and concluded—and told the Governor—that the Geothals plan "would not work" and that while the commission's would, the cost would be not $28 but $48 million. Smith's reaction, Moses was to recall, "introduced me to his extraordinary head for facts and figures and his immense loyalty to his assistants, no matter how green, young and new at the game." Ignoring protests, the Governor threw out the Geothals plan and accepted the commission's, but allocated for it the $48 million that Moses had suggested. The actual cost turned out to be $49 million.

† Because the facilities would thereafter belong to not one but two states, there were plans to have them run by bistate commissions with members appointed by both legislatures.

NET!!!" And that was just one bridge! The Triborough, on which the annual carrying charges were about $1,800,000, but on which the toll was twenty-five cents for cars and more for trucks, was by 1938 earning per year NET!!! $1,300,000. More significantly still, on all Moses' bridges, the traffic volume for each month was higher than the volume for the corresponding month the previous year; clearly, volume—and revenue—was going to be far higher than even those fabulous figures.

Under the laws creating the authorities—the bills that Robert Moses himself had drafted on his yellow legal note pads—unexpectedly high revenues could be used in only one way: to retire an authority's bonds faster than scheduled, to speed the date when the authority would go out of existence and turn its bridge back to the city.

With surpluses of such unprecedented size, the bonds of Moses' authorities would be retired very fast indeed. At the rate the Henry Hudson Bridge was making money, for example, its cost would be amortized not in forty years but in ten years, perhaps, or nine, or eight. In a decade or less, the bridge that the city had never been able to finance would have been built by Robert Moses—built and paid for, to stand for centuries as a great free public improvement for its citizens.

Using the surpluses in the way required by law would therefore make the Henry Hudson Bridge—and the Triborough—spectacular successes, all the more spectacular in a city in which public works always seemed to cost the public more, not less, than anticipated.

But this was not the kind of success in which Moses, obsessed by accomplishment and power, was interested. Money—revenue, surpluses—was the key to accomplishment and power—but only if he could keep it and use it. It was of no use to him if he had to give it to bankers as fast as he got it. It was of no use to him if, as soon as he had paid off the bankers, he had to surrender control of his bridges. Money was of use to him only if, in other words, he was able to use the bridge surpluses for other purposes than bond paying and if he was able to keep control of the bridges instead of turning them over to the city. And under the law this was impossible.

But what if the law was changed?

What if, in some way, he was able to keep the money?

Madigan and others close to Robert Moses saw his supple mind coiling around the possibilities. The actuality of the money, he began to realize, was not its most significant aspect. Its potential was what mattered. The total annual income of his authorities was, by 1938, $4,500,000. This amount was not insignificant to him; it was as large as his total annual Park Department budget. But it was not as significant as $81,000,000. And $81,000,000 was the amount of forty-year, 4 percent, revenue bonds that could be floated—"capitalized" was the word in the bankers' vocabulary that Moses was learning—with an income of $4,500,000. If he was able to keep the authorities' revenues and use them to float bonds, he would be able to float $81,000,000, or $35,000,000 more than the total $46,000,000 in bonds that the three New York City bridge authorities currently had outstanding. He would have $81,000,000 to use to create dreams and power.

Much more than $81,000,000, in fact.

The multiplier factor would be increased by the proven success of his bridges. When he and Jack Madigan had originally been attempting to persuade bankers to invest in the authorities, the ability of toll bridges to attract substantial amounts of traffic had been in doubt, and the bankers had therefore demanded a coverage of 1.75 or 2.00 (anticipated earnings double that required to cover interest and amortization) and a return of 4 percent on their investment. New toll bridges were a proven commodity. Bankers might settle for a coverage of 1.5 or even 1.4 and an investment return of 3 percent or even 2.75, and any reduction in coverage or interest rates meant an increase in the amount of bonds that the authority income could capitalize. More important, if some of the money raised by the floating of new bonds was used to build new bridges on which tolls could be charged, the authorities' income would be more than $4,500,000. Since each dollar of tolls could capitalize roughly eighteen dollars in bonds, there was therefore an additional built-in multiplier factor at work: the more public works he built, the more money he would have to build still more public works. And this factor would work indefinitely—forever, possibly.

Robert Moses had built public works on a scale unmatched by any other individual in the history of America. But all the highways and parks and bridges he had built were little more than nothing next to the highways and parks and bridges that Robert Moses wanted to build. He had turned into reality his dream of a great parkway along Manhattan's shoreline, but there was still the Brooklyn shoreline, and the Staten Island. He wanted parkways there, too—a "Circumferential" or "Belt" for Brooklyn, a "Shore" for Staten Island—and he had wanted them, and been arguing for their creation, for more than ten years. He had built fifty miles of highways in the city, but there were a hundred more miles that he wanted to build. He had reshaped to his own vision an urban park system that absolutely dwarfed any other urban park system in the United States, but the parks he had created in New York were in their turn dwarfed by the parks that he dreamed of creating; it had been 1930 when he had proposed a Soundview Park and a Flushing Meadows Park and two Marine Parks and a park—the greatest of all urban waterfront parks—in Jamaica Bay, and now it was 1938 and these parks were still only proposals. Where was the Rockaway Improvement? Even those parks that he had been able to create in the city, moreover, had not been created as he wanted; he had been forced to scale them down, to use inferior materials, to compromise. As for bridges, he had built in the city three, including one that was the greatest traffic-moving machine in the history of civilization, but he wanted to build at least four more—including one even larger than Triborough.

And that was just in the city. What about the areas around it? There were parkways on Long Island, all right, but not his greatest parkway—the ocean- and bay-bordered Fire Island masterpiece. There were parks—11,000 acres of parks, the greatest state park system in the country—on Long Island but he could foresee all too clearly the day there would be so many people living in the metropolitan area that 11,000 acres would not be nearly enough. After a decade and a half of building public works, the public works he had not yet built loomed before him larger than ever.

Moreover, the chances of building them seemed to be growing steadily more remote. Only the New Deal had enabled him to make even as much of a start as he had on his plans for New York City. Now, in 1938, the New Deal well was running dry, and La Guardia was insisting with a new firmness that he stop trying to lap up the city's share all by himself. Albany was drying up, too; each year Herbert Lehman was finding it more difficult to obey the law that required him to balance the state's budget. As for the city, La Guardia may have pulled it back from the door of fiscal death, but not even La Guardia could restore it to fiscal health; the corruption that had preceded him had weakened the body politic far too seriously. Political realities, moreover, made it unlikely that health could ever be restored. Existing taxes could support an annual budget—the budget out of which the debt service for new bonds for new public works would have to be paid—of about $575,000,000, and the debt service and salaries loaded on by Tammany ate up $500,000,000 of that even before other necessary expenses were figured in. As for the so-called "capital budget," there was no leeway in that, either; the city was constantly bumping up against the state-imposed ceiling that limited its borrowing capacity to 10 percent of the total assessed valuation of real property; the city's fiscal inability to construct public works was so pronounced that by 1940 La Guardia, who had dreamed of carving out a beautiful new metropolis, would have no choice but to limit new capital spending for the year to a symbolic one dollar. Because the city was a creature of the state, city taxes could be increased and the city budget ceiling raised, only the State Legislature, and not only the Legislature's conservatism but the influence wielded within it by the city's own propertied interests, which wanted the key property taxes kept down and, to protect the bonds they held, as few new bonds as possible issued, made the Legislature as reluctant to take those steps as La Guardia was to ask it to do so; desperately anxious to reshape his city La Guardia might be, but he was not anxious enough to court political disaster by asking for new taxes. Surveying such realities, Moses could see no reasonable possibility, in any foreseeable future, of the city being able to finance his dreams. If he wanted to remake the city, it was clear, he was going to have to do the job without its money.

But if he was able to keep the authorities' revenue, keep them indefinitely, he would have the money.

He would, moreover, have money he would be free to use as he chose.

Tens of millions of dollars had been placed in his hands already, of course—by Governors and Legislatures, by Mayor and Board of Estimates, by federal alphabet-agency administrators. But these had been millions hedged about by all the safeguards—the rules and regulations and established procedures, the technicalities—that had been established by generations of legislators and bureaucrats and that made it so difficult to Get Things Done.

Tens of millions of dollars had been given him to hire men, but he had been required to hire them according to civil service regulations which made it difficult for him—in most cases made it impossible for him—to hire the kind of men he wanted: the *best* men, the best engineers, the best administrators, the best ramrods, the best laborers. Under those regulations, he couldn't pay them enough to attract them to his service. He couldn't even hire whom he wanted of the men available at the salaries he *could* pay; he had to hire off civil service lists. These regulations could sometimes be circumvented, of course—no one circumvented them as cleverly as he, as was proven by the quality of his "Moses Men"—but they could be circumvented only with difficulty and delay, the delay he hated. And they could not be circumvented wholesale: the "Moses Men" were a prize cadre, but a cadre was not an army, and he was constantly raging at the quality of the main body of his troops, noncommissioned officers as well as enlisted men; once the Depression eased, civil service salary limits had made it impossible to keep loyal to his colors more than a handful of the prized seven hundred and fifty ramrods he had recruited during its depth. Civil service regulations made it impossible for him even to drive men as he wished to drive them: to drive men mercilessly you have to have threats to hold over their heads; the ultimate threat—dismissal—was all but denied him by the regula-

tions; and dismissal for even a legitimate cause was a cumbersome and tedious procedure that had none of the efficacious effect on other workers of a snappy "Pick up your time and get out" from Art Howland or Earle Andrews. Civil service regulations had prevented him from using his men flexibly and efficiently; because he had to hire men out of allocations for a specific upstate or Long Island park commission or the New York City Park Department, and civil service regulations required him to use an employee of a public agency only on that agency's work, it was illegal for him to assign an upstater to a city job even if he was best qualified for it. Most important, civil service regulations required him to hire men only for specific purposes approved by Legislature or Board of Estimate, and these purposes had never included the one most vital to his aims: long-range planning. For more than ten years he had been scheming, scraping and saving to build up a "stable planning force"—without success.

But changing the law would give him one. The Legislature had placed public authorities under civil service, of course, but the power of Civil Service Commissions to enforce their edicts rested, as Moses had learned from the bitter experience of his youth, on the power to disapprove salary payments—on the commission's control of the purses out of which municipal and state agencies drew their "personal service" funds. It rested on the power of money. Let him have the money—let him keep control of the authorities' revenues—and he, this man, who had mastered the intricacies of civil service as well as any man who ever lived, would be able to devise a hundred ways to manipulate Civil Service Commission rulings to his own ends. He would be able to attract to his service the men his sharp eyes had picked out of the herd, to hire and fire them as he pleased, to provide them with material rewards huge enough to make them endure his driving and his demands and to guarantee their absolute loyalty. And he would be able to hire men not only for specific but for general purposes. He would be able to have, at last, his stable planning force. Let him keep the control of the authorities' revenues and he would be able to study transportation needs before elected local officials studied them. He would be able to determine by his own criteria which transportation facilities should be built and in which order. He would be able to determine by his own criteria *how* these facilities should be built—what their design, size and precise location should be. He would be able to translate these general plans into detailed blueprints and specifications. And then, when the time was right—when a large new state or federal grant became available, or when the public was demanding a solution to the transportation problem—he could present these plans to elected officials as the solution, a solution already engineered, already designed, already costed out, a solution feasible engineeringly and economically, a solution whose planning was already a *fait accompli*, a solution that awaited only their approval for implementation, a solution for which, in many cases, money—the money of his public authorities—was already available. What official would then be willing to risk public antagonism by withholding that approval?

And if an official did dare to suggest an alternative, what good would it do him? The city possessed neither an engineering corps capable of planning large-scale public works nor money to hire in sufficient numbers engineers who did possess such capability. For that matter, the city had no money to build an alternate large-scale public work if it wanted to. It would be dependent upon the federal government or upon Moses' authorities to provide the cash. Federal money might well be lost by the delay additional studies would entail; as for the authorities' money, cross the man who was offering it and he might (bearing in mind that the man was Robert Moses, he probably would) withdraw the offer, and the official then could be accused of having cost the city a great public improvement. Let Moses keep control of the authorities' revenues and there would be no more nonsense about the Mayor or the Board of Estimates studying alternate routes for a highway or alternate locations for a bridgehead or alternate methods—mass transportation instead of highways, for example—of solving transportation problems. In the fields he had chosen for his own, the city would have to build public works where and how he chose.

Additional tens of millions of dollars had been given to him for non-salary items—construction costs, mainly—but he had been allowed little leeway in the spending of that money either. Much of it he had to give to contractors—under strict regulations which not only required him to award contracts to the lowest qualified bidders, thereby preventing him from making awards to firms he personally favored, but also set many conditions designed for economy, a saving of taxpayers' money, rather than for the speed he wanted; strict restrictions on overtime had been especially irritating to this supreme ramrod, this archetypal top sergeant, who wanted his projects driven forward around the clock.

Allocations directly to his agencies allowed him even less leeway; such appropriations were made "line by line" for specific items. And members of the Legislature or Board of Estimates—accountable to the voters and therefore anxious not to make any appropriations that appeared to waste their money (and anxious as well not to let Moses further expand his empire)—resisted especially making any appropriations to him for the PR items which would seem blatantly wasteful to taxpayers but which Moses knew were vital to Getting Things Done: the printing of impressive, persuasive brochures and pamphlets, the creation of large-scale dioramas and scale models ("It never ceases to amaze me how you can talk and talk and talk to some guy about something you've got in mind, and he isn't very impressed, and then you bring in a beautiful picture of it or, better yet, a scale model with the bridge all in white and the water nice and blue, see, and you can see his eyes light up," Jack Madigan says); the hiring of public relations men to visit publishers, editors, reporters and radio commentators as well as nonmedia influentials, sell them on a project in advance, escort them on pre-opening limousine or yacht tours, leak them information that would place Moses' views in a favorable light (and his opponents' views in an unfavorable light); the rental of the necessary limousines; the hiring of the "bloodhounds" to dig up facts about an opponent that could induce him to cease his opposition, or, should he prove stubborn, could be leaked into print to discredit him; and, especially important to Moses because it gave him a chance to exercise his matchless charm as host, the laying on of hospitality—intimate luncheons for key individuals or lavish buffet luncheons for influentials by the hundreds—at which he could drape a big arm over a recalcitrant borough president's shoulders and use the glow induced by good food and fine wine to win him to his cause. He had, of course, used his ingenuity, and his skill at circumvention of the spirit if not the letter of the law, to publish brochures, hire public relations men, purchase limousines and host luncheons in the past. But he had never had enough money to do all this as lavishly and effectively as he wanted. But let him keep the authorities' revenues and he would have enough.

Changing the law might give him more than money. Changing the law might give him power, more power than he had ever attained before. Money itself is power, of course, but the power he was thinking about now was power of far greater dimensions.

A public authority, he had learned, possessed not only the powers of a large private corporation but some of the powers of a sovereign state: the power of eminent domain that permitted the seizure of private property, for example, and the power to establish and enforce rules and regulations for the use of its facilities that was in reality nothing less than the power to govern its domain by its own laws. The powers of a public authority were vested in the board of that authority. If there was only one member of that board in fact (as in the case of the Henry Hudson Parkway Authority: Robert Moses, Sole Member) or in practice (as in the case of the Triborough Authority, whose other members would routinely rubber-stamp Moses' actions), the powers of the authority would be vested in that member—in *him*, Robert Moses.

And there was another dimension in his thinking, too. Keen as always in discerning the potentialities for vast power in humble institutions, he had glimpsed in the institution called "public authority" a potentiality for power whose implications no one else—no one in City Hall or the Albany Statehouse for certain and, so far as research can determine, no one anywhere in the United States—had noticed, but that were exciting and immense.

Authorities could issue bonds. A bond was simply a legal agreement between its seller and its buyer. A legal agreement was, by definition, a contract. And under the Constitution of the United States, a contract was sacred. No state—and no creature of a state such as a city—could impair its obligations. No one—not Governor, not Mayor, not State Legislature, not City Board of Estimate—could interfere with its provisions. If Robert Moses could write the powers which had been vested in him into the bond contracts of his authorities, make those powers part of the agreements under which investors purchased the bonds, those powers would be his for as long as the authorities should remain in existence and he should control them. If he could keep the authorities in existence indefinitely and could keep his place at their head, he would hold those powers indefinitely—quite conceivably, until he died. The powers might have been given him by the Legislature and the Governor at the request of the Mayor and City Council, but if he embodied those powers in bonds, neither Legislature, Governor, Mayor nor City Council would ever be able to take them back.

Giving public authorities indefinite existence and such vastly expanded powers would not be easy. In proposing to give the institution substantial governmental powers and a lifespan at least of decades, possibly of centuries—in proposing to make it an institution that might endure as long as the Republic endured—Moses was in effect, whether or not he thought in such terms, proposing to create, within a democratic society based on a division of powers among three branches of government, a new, fourth branch, a branch that would, moreover, in significant respects, be independent of the other three.

The public officials whose approval was necessary would never give it. Those who were thinking men would realize that if they gave it they would be adding, without sufficient thought and consideration by themselves or by the public which should have the final say on matters of such significance, a whole new layer to urban government in America. The rest of them, concerned with power and patronage, would realize that to the extent they gave away power, they would be diminishing their own power. The key body whose approval was necessary—the Legislature that under the State Constitu-

tion alone had the power to create new authorities—had been fighting for years to keep Moses from gaining more power, from building his own empire within the state government. The Legislature would never approve the bills Moses was drafting if they understood them.

So Moses would have to keep them—and all the other officials involved—from understanding. He would have to persuade Mayor, City Council, Legislature and Governor to approve his bills before they realized what was in them.

In 1924, he had faced a similar problem—and had solved it successfully, persuading a naive assemblyman to introduce, and hostile Republican legislative leaders to accept, bills that appeared innocuous but gave the Long Island State Park Commission vast new powers. This time, however, the job would be harder. His aims now were far more ambitious, the powers which he wanted now were far broader than those he had wanted then. And in 1924, he had had the Governor on his side. Now he had no one on his side. If a single person in Albany or New York—Democrat, Republican Governor, Mayor, assemblyman, councilman, any one of the thousand sharp-eyed lawyers who prowled the Capitol and City Hall—caught even a glimpse of his true aims, and sounded the alarm, he would never be able to accomplish these aims. He had to conceal his purposes from everyone.

The safeguards included in all previous New York State legislation on authorities to limit their lifespan were the provisions setting a time limit on their bonds, a date by which each authority must redeem all its bonds, surrender control of all its facilities and go out of existence. Moses, drafting amendments to the Triborough Bridge Authority Act, knew that the Legislature would never agree to the elimination of these safeguards.

So he didn't eliminate them.

He just made them meaningless.

Right at the beginning of the original Triborough Act—in Section One, in the portion labeled "Existence"—the act said explicitly that the Triborough "board and its corporate existence shall continue only for a period of five years and thereafter until all its . . . bonds have been paid in full . . . ," a provision which when coupled with a provision setting the maximum life of the bonds at forty years, was intended to limit the maximum life of the Authority to that span. The amended Triborough Act which Moses was proposing said the same thing—in the same place, right at its beginning, in Section One.

But it also said something else. Not at its beginning and not in the portion labeled "Existence," but long, legalistic pages later, buried deep within the act, in a subdivision of Section Nine, a subdivision and a section that otsensibly had nothing to do with "Existence," there was a new sentence: The authority shall have power from time to time to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other corporate purpose.

"He had figured out a gimmick," says Reuben A. Lazarus, drafter of the original Triborough Act and himself a master of the gimmick—and as Lazarus spoke a smile broke over his old, wrinkled face despite his attempts to conceal it, and his voice was filled with admiration, the admiration of a master of a difficult craft for a man who was more than a master. "That sentence looked so innocuous. But it changed my whole act completely With that sentence in there, he had power to issue forty-year bonds and every thirty-nine years he could call them in and issue new bonds, for another forty years. La Guardia had thought that authorities . . . would be temporary creations that would build something and then turn it over to the city and go out of existence as soon as it was paid off. But with that gimmick in there, it would never be paid off."

Never. The existence of the Triborough Authority "shall continue only until all its bonds have been paid in full," the act said. But, because of Moses' amendments, the Authority no longer had to pay its bonds in full. Every time it had enough money to pay them in full, it could instead use the money to issue new bonds in their place. The amendments meant that unless it wanted to, the Authority wouldn't ever have to turn its bridges over to the city. It might, if it so desired, be able to keep the bridges—and stay in existence—as long as the city stayed in existence.

The safeguards included in all previous New York State legislation on authorities to limit their scope were the provisions setting a limit on the amount of bonds each could have outstanding, a limit sufficient to pay only for the specific project or projects the Legislature wished it to build and nothing more. The Triborough Act contained such a provision, a clause stating that the Authority could not have outstanding more than $53,000,000—an amount sufficient only to cover its $35,000,000 share of the cost of the Triborough Bridge and the $18,000,000 cost of the Bronx-Whitestone Bridge. But Moses' gimmick made that restriction meaningless, too. For by authorizing the Authority to issue new bonds not only to pay off old ones but also for "any other corporate purpose," it was authorizing it to keep its indebtedness at $53,000,000 even though it had money available to pay off part, or even most, of that figure. If, for example, the income was high enough to pay all its carrying charges and also accumulate a surplus, which after five or ten years amounted to $20,000,000, the Authority could then call in $20,000,000 of its outstanding bonds, pay them off and therefore have only $33,000,000 outstanding. Its legislatively authorized borrowing capacity would still be $53,000,000. Its revenues would support that amount of bonds. So the Authority would have $20,000,000 of borrowing capacity. It could issue $20,000,000 in new bonds and use the proceeds of the sale for "any corporate purpose."

And what were such purposes?

The original Triborough Act had given the Authority power to build only the two bridges and their "approaches." Moses' success in persuading the PWA that approaches could mean roads leading to the bridges had greatly expanded the Authority's power.

Now he proceeded to expand it further.

The new, amended, Triborough Bridge Authority Act that Moses was proposing still said first that the Authority's powers were to build bridges and their approaches. But, in later sections, it also said some other things.

The act empowered the Authority to acquire land for and construct not only approaches but "new roads, streets, parkways or avenues connecting with the approaches," and to widen existing roads, streets, parkways or avenues connecting with those approaches. The word "connecting" was innocuous—unless one began to think closely about what it would mean if Moses expanded its definition as he had expanded the definition of "approaches." If an approach was miles long—the Queens "approach" to the Triborough Bridge, for example, was six miles long—scores of roads, streets, parkways or avenues intersected (*"connected"*) with it. Under the amended act he was proposing, the Triborough Authority would have the right to widen any or all of them. It would have the right to build a new thoroughfare that would connect with the approaches anywhere along their length. And how long could that thoroughfare be? A block? A mile? Five miles? Ten? Could it be a highway that ran clear across the city? Under the amended act he was proposing, it certainly could. And suppose he wanted to build another—third—highway, to intersect with the one he had built to intersect with the approaches? Since this new, third, road would connect with the second, and the second would connect with the approaches, why could not the third be said to connect with the first? Under a liberal definition—a definition such as Moses had long since proven himself adept at making—quite possibly it could. Quite possibly, in fact, one could say that any major thoroughfare in the city "connected" wtih any other. And if one could say that, one could say that the act that Moses was so carefully drafting would mean that the Triborough Authority could have the right to construct highways throughout the city, in many respects exactly as if it were the city government itself.

And not just highways. Another clause in the act gave the Authority power "in connection with the Whitestone Bridge project and with new or existing roads, streets, parkways and avenues connecting with such project." Under the act Moses was drafting, the Authority would be able to build parks along any highway it might construct. Since the Authority would be able to build highways throughout the city, it would be able to build parks throughout the city, too.

And not just highways and parks. Buried still deeper within the act Moses was drafting was a clause giving the Authority the right to build and operate *any* "facilities for the public not inconsistent with the use of the project." Not with the *project*. With the *use* of the project. Since the project consisted of bridges, roads and parks, why, under that clause, would it be inconsistent for the Authority to build housing nearby that would allow more members of the public the convenient use of those bridges, roads and parks? Why, for that matter, would the construction of *any* public facility be inconsistent with the use of the project? An aggressive Authority chairman, anxious to stretch the powers in the act to the limit, could well find in that phrase legal authorization to build any type of public facility he chose anywhere along the Authority's bridges, roads, streets, parkways, avenues and parks—anywhere, in fact, in the city.

And the best bill drafter in Albany set to work to make sure that, in building and operating its projects, the Authority, despite the limitations on its power by the State Legislature, would nevertheless possess powers equal to those possessed by the state—or by the city of which, in theory, the Authority was merely a creature.

Legislature and Mayor had sought to insure that the Authority would be subordinate to the city by including in the old act the provision that the City Comptroller should be the Authority's "fiscal agent." The new act included the same provision. In drafting the section entitled "Moneys of the Authority," Moses began it, in fact, with the flat statement: "All moneys of the authority from whatever source derived shall be paid to the comptroller as agent of the authority." The meaning of this sentence must have seemed clear to any legislator who read it. The definition of "fiscal agent" was well established; he was the individual empowered to receive and pay out a corporation's moneys. But later in the section, Moses added another sentence: "The moneys . . . shall be paid out on check of the Comptroller on requisition of the chairman of the authority. . . ." With that sentence added, the Comptroller, while still authorized to receive the Authority's moneys, would be able to pay them out only on Moses' requisition—would, in other words, be able to do with them only what Moses wanted him to do. He was still required to take Moses' money to the bank and deposit it there, but he was now forbidden to take the money out again without Moses' signa-

ture on the withdrawal slip. The sentence that Moses had slipped into the act meant that although the Comptroller of the City of New York would be called the Authority's agent, he would really be no more than its errand boy.

Legislature and Mayor had sought to insure that the Authority would be subordinate to the city by including in the old act the provision that the city would "own" all Triborough projects. The new act said that it did—flatly and clearly. But it also said that "the authority shall retain full jurisdiction and control over all its projects. . . ." The city might own the Triborough Bridge, but only the Triborough Bridge Authority could run it.

By the time Moses had finished drafting his amended acts, his authorities had not only all the powers of "bodies corporate" but many of the powers of "bodies politic"—including bodies politic that were sovereign states. His authorities had the right to "do all things . . . that a business corporation can do"—to sue, for example, to make contracts and bylaws, to acquire real estate and use it or lease it or dispose of it, and, of course, to issue bonds—and they had the right to do many things that private corporations could not do. They had the power to own public facilities, to require the public to pay tolls for their use and to prevent the construction of competing facilities so that the public had no choice but to pay those tolls. They had the right to govern their domain by making their own laws ("rules and regulations for the protection of" their property which "shall have the force and effect of law," with violations "triable by a city magistrate and punishable by not more than thirty days imprisonment, or by a fine of not more than fifty dollars, or both") and to maintain their own police force (hundreds of Authority "Bridge and Tunnel Officers") to enforce those laws. They could have their own great seals ("and alter the same at pleasure") and set their own statute of limitations (a private citizen suffering damages by negligence of a private corporation had three years to sue; a private citizen suffering damages by negligence of the Jones Beach State Park Authority had six months to sue). They had the sovereign power of eminent domain, and more—not only could they take a private citizen's property, they could enter the land before it was taken to make the surveys necessary to decide if they wanted to take it (never again would some Long Island farmer be able to ram a shotgun against Sidney Shapiro's chest and keep him off his land). They had, in fact, some powers that sovereign states—at least the sovereign state of New York—did not. They could let contracts without competitive bidding. Their officials could be removed only for cause; they were immune from the pleasure of the Governor.

And Moses made sure that these powers, these powers corporate and politic and, in some respects, greater than both, would be embodied, ultimately, not in the authorities but in him personally. In the case of the single-member authorities, of course, the authority *was* Robert Moses. The Triborough, Jones Beach and Bethpage authorities had three-member boards, but while their enabling acts said, "The power of such corporation shall be vested in and exercised by a majority of the members," it also said, "The board may delegate to one or more of its members . . . such powers and duties as it may deem proper."

Then Moses set to work to make sure that no one would ever be able to take those powers away.

He did it in Section Nine, Paragraphs 2 and 4, Clauses *a* through *i*. Paragraph 2 authorized the Authority to pass resolutions governing the sale of its bonds. The various clauses of Paragraph 4 said, when taken together, that the resolutions could contain provisions dealing with toll rates, Authority rules and regulations and *"any other matters, of like or different character, which in any way affect the security or protection of the bonds."* And Paragraph 4 also said that any such resolution "shall be a part of the contract with the holders of the bonds."

Legislation can be amended or repealed. If legislators were in some future year to come to feel that they had been deceived into granting Robert Moses wider powers than they had intended—the right to keep tolls on a bridge even after the bridge was paid for, for example—they could simply revoke those powers. But a contract cannot be amended or repealed by anyone except the parties to it. Its obligations could not be impaired by anyone—not even the governing legislature of a sovereign state. Section Nine, Paragraphs 2 and 4, Clauses *a* through *i*, gave Robert Moses the right to embody in Triborough's bonds all the powers he had been given in the legislation creating Triborough. Therefore, from the moment the bonds were sold (thereby putting into effect the contract they represented), the powers he had been given in the legislation could be revoked only by the mutual consent of both Moses and the bondholders. They could not be revoked by the state that had created the Authority or by the city whose mere instrumentality it was supposed to be. If he copied into the bond resolutions the legislation giving him the right to charge whatever tolls he wished, for as long as he wished, from the moment the bonds were sold that power could never be revoked without his consent. If he copied into the bond resolutions the legislation giving him his other new, broad powers, those powers could never be revoked. The elected representatives of the state and city might have given Robert Moses those powers. But the elected representatives of the state and city would never be able to take them back.

Previously, Robert Moses had always needed what he termed "executive support." He had learned during his first great effort in public life—his attempt to reform the municipal civil service, an attempt brought to naught by his betrayal by John Purroy Mitchel—that as long as he was an appointed official, he could not accomplish great dreams without the backing of the elected official who had appointed him, and he had never allowed himself to forget that fact. His skill at bill drafting and his hold on the public imagination had gained him a unique insulation from Mayors and Governors in his daily operations, but it had still been only a chief executive who could give him the money and power necessary for the creation of giant public works.

But now he needed executive support no longer. In the fields which he had carved out for his own—transportation and recreation—the passage of his "amendments" to the authority enabling acts had given him resources of money and power independent of Governors and Mayors. Their approval was no longer required. Before Moses, the public authority had been a mere instrument of the city, a body established by the city's duly constituted, elected officials to carry out one of their decisions. His public authorities had been set up to do what they wanted done. Now his authorities would do what he wanted done.

For years, Robert Moses had sought executive power himself, hastily switching his party allegiance in 1928 when he thought he had a chance for the Democratic nomination for Governor, switching back to Republican in 1933 when he thought he had a chance for the Republican-Fusion nomination for Mayor, finally obtaining a nomination and running for Governor in 1934.

Each such clutch at executive office had been an attempt to obtain more power through normal democratic processes. After the 1934 debacle, however, it was obvious that his path to power was forever barred to him. His voter-antagonizing personality meant that he was never going to be able to obtain that supreme power which, in a democratic society, only the people can, through their votes, confer.

But now he needed that power no longer. In many ways, the amendments to the authority acts had given him, in his fields of operation, more power than he would have possessed as chief executive of state or city.

And Moses knew it. Prior to passage of the authority amendments, he had scrounged for elective office. After the passage of those amendments, he disdained it. For the next twenty years he would with regularity be approached by men prepared to back him for a gubernatorial or mayoral nomination, and he would firmly discourage them. Robert Moses was interested in money and power, and he no longer needed elective office to obtain those prizes. After the passage of his authority amendments, he had them already. With the institution he defined as "a body corporate and politic," Robert Moses had, on a broader scale, simply repeated the formula successful for him at Yale and with the Long Island State Park Commission, carving out within the state and city governments but outside those governments' traditional, formal framework a unique, independent niche. Now, thanks to his penchant—his genius—for seeing potentialities for power where no one else saw them, in the future his public authorities as well as city officials would be making vital, city-shaping decisions.

He didn't even need public opinion any more.

"That's a slender reed to lean on," Al Smith had said. Now Robert Moses had something more solid: the firm, precise, unbreakable covenants of the bond resolutions.

Robert Moses still had all his old, immense, popularity. But were he, one day, to lose that popularity, the loss would no longer be nearly as disastrous as it would have been in the past. For no one—not the people, not the people's elected representatives, not the people's courts—could change those covenants.

The institution over which Robert Moses had waved his magic wand was one uniquely suited to be the fairy princess that would bring his dreams to life. It dovetailed neatly with his philosophy and personality.

Moses was driven by the need for tangible, indisputable evidence of accomplishment and achievement—evidence such as a public improvement. He was driven by a need to build. Building—building a public improvement—was an authority's primary function; apart from operating and maintaining that improvement, its *only* function.

Moses had what amounted almost to a horror of ceasing to build; of finishing a bridge, say, and then having nothing to do thereafter but keep it clean and collect tolls on it, of being forced, as he put it, "to be a caretaker, to have nothing to do but sit around and collect nickels and dimes for the rest of my life." If an authority ceased to build, it would die; if all it did was collect tolls, the tolls would pay off its bonds and when the bonds were paid off it would have no choice but to go out of existence. Only by continually embarking on new projects—which would require new bond issues—could an authority remain viable.

Moses' vision was on a scale so grand that it transcended the tangled network of boundary lines of the 1,400 cities, boroughs, counties, townships, villages, sewer districts, fire districts, police districts, water districts in the New York metropolitan area. As he

had once seen Long Island entire, now he saw the metropolitan region as a single whole, and as he had once wanted to shape the whole Island, now he wanted to shape the whole region. Of all the region's governmental institutions, only an authority could transcend those boundary lines. The jurisdiction of every one of the 1,400 governmental units ended at that unit's borders, and any attempt by one of them to initiate a development which crossed its borders was jealously—and, invariably, successfully—resisted by its neighbor. The sacred right to "home rule" could not be tampered with even by a county; only by obtaining the consent of every incorporated hamlet that would be crossed by a proposed highway could the Board of Supervisors of Nassau or Suffolk or Westchester County build one. Even the state government violated "home rule" only at its peril. Only an authority could with impunity build a project across or through several jurisdictions.

Moses' methods of Getting Things Done were dictatorial, peremptory, arbitrary, arrogant—"authoritarian," an observer addicted to puns might conclude. An official of a conventional governmental agency had difficulty in employing such methods. An official of an authority did not. Many of the restrictions which gave the public recourse from the decisions of old-line agencies did not even exist for public authorities. The symbol was the public hearing, the exemplification of everything Moses detested about normal democratic processes. Under law and custom, conventional governmental agencies could not embark on any large-scale public improvement without holding public hearings. An authority could.

Moses' methods—the methods with which he swayed politicians to his side—required secrecy. An authority gave him secrecy, for unlike the records of conventional governmental agencies, which were public, subject always to inspection, an authority's records were corporate records, as private as those of a private corporation.

Moses' image—the image he had so painstakingly cultivated—was precious to him, not only because it helped him achieve and accomplish, but because of reasons rooted in the murky depths of his personality. The image could not help being reinforced by his identification with public authorities, for public authorities had the same image.

The image was of the totally unselfish and altruistic public servant who wanted nothing for himself but the chance to serve. A key element in it was his disdain for money—a disdain which he made certain was well publicized and which was symbolized by his refusal to accept a salary for his services. Authority officials were traditionally unsalaried (the tradition had begun in England, where it had been believed that authorities would get better officials—men above politics—if they were not paid), and Moses had eagerly followed the tradition with his authorities—and had made certain that the public knew he was serving as authority chairman "without compensation."

The image was of the fearless independent above politics. The public believed authorities—entities outside the normal governmental setup, entities whose members were unsalaried and appointed to terms long enough in theory to insure their independence from politicians—to be "nonpolitical."

The image was of the relentless foe of bureaucrats, the dynamic slasher of red tape. A key rationale for the creation of authorities was their freedom from the red tape involved in old-line governmental agencies and their ability to function freely and efficiently because they were established outside the governmental bureaucracies.

The image was of the Man Who Got Things Done, who produced for the public tangible, visible, dramatic achievements. The great bridges, tunnels and piers created by authorities were tangible, highly visible monuments to their achievements.

In short, Moses had discovered a governmental institution that was not only uniquely suited to his purposes but was, in institutional terms, an embodiment of his personality, an extension of himself. "An institution," said Ralph Waldo Emerson, "is the lengthened shadow of one man." The institution named "the public authority" was, in the form it took after Moses' eyes focused on it in 1937 and 1938, the lengthened shadow of Robert Moses.

He himself seemed to understand this. His remarks and, sometimes, his published statements, reveal a striking identification of himself with authorities, which he defined as "nonpolitical" organizations headed by "unsalaried" trustees in which "the speed, flexibility and absence of red tape, traditionally associated with private industry," could be used for public purposes. Composing the introduction to a brochure—expensively bound, wide-margined, printed in full color on paper of a weight and sheen suitable for an invitation to a royal wedding—that he issued in 1941 to mark the fifth anniversary of the opening of the Triborough Bridge, he wrote:

"If I may be permitted a personal note, I would say that it has long been a cherished ambition of mine to weave together the loose strands and frayed edges of the New York metropolitan arterial tapestry. . . . The Triborough Bridge Authority has provided the warp on the metropolitan loom, the heavier threads across which the lighter ones are woven."

"The warp on the loom": the public authority, this new institution—new at least to America—at whose birth he had been present, to which he had served as prescient nursemaid and which he, more than any other individual, had raised to a maturity consonant with a major role on America's urban scene, would be the vehicle which would make his dreams come true.

A series of decisions Robert Moses took in 1937 symbolized his realization of this fact.

Two were financial. Previously, realizing that his dreams would never be funded by state and city governments, he had, through intricate and ingenious financial devices, arranged wherever possible to have revenues collected by the state commission and city department he headed paid not into state and city treasuries but into special "revolving funds" that in effect let him add them to the regular commission and department budgets. Now, in another series of maneuvers, he circumvented his circumventions—and when he had finished, the revenues of the Jones Beach parking fields no longer went to the Long Island State Park Commission but to the Jones Beach State Parkway Authority, and the revenues of the Jacob Riis Park parking field went not to the City Park Department but to the Marine Parkway Authority. He still had the money to spend—but now he could spend it through the authorities.

One was physical. Previously, he had had four offices: the State Council of Parks office at 80 Centre Street; the Long Island State Park Commission's offices at Belmont Lake State Park; 270 Broadway (the New York State Office Building), selected for its proximity to City Hall; and his nominal office in the headquarters of the New York City Park Department in the Arsenal in Central Park.

Four might have seemed adequate, but now he built a fifth, and told his aides it would be "the main office from now on." And this office was located on Randall's Island.

Geographically, Randall's Island was near the center of New York, but the water which surrounded it was a moat which separated it from the rest of the city. Moses' "amendments" to the Triborough Act made that separation more than physical. No inhabitant of the city could use the lawns or stadium or other facilities on Randall's Island—could even drive across it—without paying the Triborough Bridge Authority a tribute in coin, a tribute which Moses exacted from even the highest city officials, generally refusing to give free bridge passes even to borough presidents and sometimes, angry at La Guardia, withholding them from the Mayor. Once on the island, visitors were subject not to the city's laws but to Triborough's—Authority rules and regulations enforced by Triborough's Bridge and Tunnel Officers. Moses' decision to build his main office there was, intentionally or not, symbolic of his independence of the city.

If, moreover, Moses' authorities were becoming an independent empire, the heart's blood of that empire was money: tolls. The bulk of those tolls were collected at the huge Triborough Bridge toll plaza. If the empire had a heart, that was it. Moses built his new office in the very shadow of that toll plaza.

Not only the location of Moses' headquarters but its height was symbolic. Although the squat, gray three-story structure was built directly adjacent to the Triborough toll plaza, its roof was just enough below that plaza so that the building could not be seen by drivers on the plaza or on the bridge roadway. Although tens of thousands of drivers used the bridge day after day, year after year, none but a handful ever realized that there was an office building there. Moses' headquarters was concealed almost completely from public view.

He no longer needed the support of the city's mayor—and he wasted little time letting him know it. Exactly one month after La Guardia, on the strength of his trust in Moses' earnest representations, had assured Governor Lehman that the city was retaining ample control over Moses' authorities, thereby persuading the Governor to sign one of Moses' new authority bills, a dispute arose over the Authority's hiring practices, and Moses wrote the Mayor, "It is silly to force a court test of such a matter, but I shall have to take this up with attorneys for the bondholders and with the trustees unless the matter is adjusted."

The Mayor thought he knew how to handle so outrageous an attempt at intimidation. "Now, there is one matter I want to make absolutely clear," he replied.

"The Authority bondholders have absolutely nothing to say and have no control over purely administrative matters of the City of New York. So, don't talk about a court test on such matters or taking up anything of this nature with the Authority's attorneys or the stockholders. The Mayor establishes the policy for the City as well as the selection of the commissioners of the Authorities, and the Authority bondholders have absolutely nothing to say from the Commissioner down to the last line of attendants. You are a city official and will take matters up with the Corporation Counsel of the City of New York and not with 'attorneys for the bondholders.' "

Moses' reply was more succinct. "I think you had better read the agreements and contracts," he wrote.

As poor Trubee Davison had done years before, Fiorello La Guardia sat down, too late, to study documents drawn up by Robert Moses which he had approved because he had relied on Moses' word as to what was in them. Then he called in his legal advisers to read them.

"Well, that was the day of the great awakening," recalls Windels, who, having resigned as Corporation Counsel, had not previously

seen Moses' "amendments." He and Reuben Lazarus told the Mayor that, as Windels was to put it, "of course, under the bond resolution, the Authority *did* have the power to employ its own counsel, and it had all these enormous other powers as well." The Mayor, of course, had powers, too. On some of his authorities Moses served *ex officio* because he was the City Park Commissioner. The Mayor could fire Moses as Park Commissioner, and thereby divest him simultaneously of his membership on those authorities. But this power existed in theory only; political realities made it meaningless. Remove him from the authority undertaking the Rockaway Improvement and he might use his influence with the State Legislature to have state funds cut off from the state-financed part of the project, the Atlantic Avenue grade elimination; the Legislature had agreed to finance the elimination in the first place only because he was heading both city and state agencies involved. The city had no funds to further the work itself; it would have to remain uncompleted; Atlantic Avenue, already torn up, would remain a three-mile-long stretch of rubble. La Guardia would find himself in the same untenable position in which President Roosevelt had found himself when he had attempted to oust Moses as head of another authority—that of sacrificing a great public improvement for the sake of personal revenge on a faithful and immensely popular public servant. La Guardia might, of course, attempt to make clear the fact that the issue was not personal. He might attempt to make the public understand that public authorities had been given too much power. But the Mayor was only too well aware of the futility of attempting to explain the technicalities of bond resolution contracts to an electorate that idolized the Man Who Got Things Done.

More important, while the Mayor could remove Moses from some authorities, he could not remove him from the Triborough Authority—he had no charges of specific wrongdoing to bring against him—until his term expired in three years. During those three years, Moses would still have immense powers in the city. He would still be in charge of huge public works being constructed within the city's borders. Making an open enemy of Moses would lead to an immensely embarrassing situation, a situation which, moreover, would continue to be embarrassing for what was, in political terms, a lifetime.

And these considerations combined with the others that always hamstrung La Guardia in his dealings with Moses: Moses' immense popularity; Moses' immense influence with a Governor and State Legislature from whom the Mayor constantly needed favors; Moses' ability to ram through the great public works the Mayor, as sculptor of metropolis, desperately wanted rammed through. La Guardia knew that Moses could ram them through—scandal-free and in time for the next election. With good reason, he doubted if anyone else could. The powers that the Mayor possessed over Moses' authorities in theory he did not possess in practice. Political realities gave him no choice but to allow Moses to remain at their head. And he knew it.

Moses knew it, too. After reading the bond agreements and contracts, La Guardia dropped all further discussion of the authorities' powers. Moses never raised the matter again. But thereafter he treated La Guardia not as his superior but as an equal. In the areas of transportation and recreation, Robert Moses, who had never been elected by the people of the city to any office, was henceforth to have at least as much of a voice in determining the city's future as any official the people *had* elected—including the Mayor.

AUTHORITY FOR THE SECRETARY OF THE SENATE TO RECEIVE MESSAGES FROM THE HOUSE OF REPRESENTATIVES DURING THE ADJOURNMENT OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the House of Representatives during the adjournment of the Senate over until 10 a.m. tomorrow.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 10 o'clock tomorrow morning. After the two leaders or their designees have been recognized under the standing order, Mr. GRIFFIN will be recognized for not to exceed 15 minutes, after which Mr. ROBERT C. BYRD will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements therein limited to 2 minutes each.

At the conclusion of routine morning business, if the continuing resolution has been acted on by the House and is at the desk in the Senate, the Senate will proceed to consideration of that continuing resolution.

In the alternative, the Senate will take up that continuing resolution when it comes over from the House, and action will occur with respect to debate thereon and in relation to any amendments thereto. Any rollcall votes, however, will not occur prior to the hour of 2:30.

At the hour of 2:30 p.m. on tomorrow, the Senate will proceed to vote on the overriding of the President's veto of H.R. 15301, the railroad retirement bill. Under the Constitution, that vote will be by rollcall.

Immediately upon the disposition of that vote, the Senate will proceed with any other rollcall votes that have been ordered prior thereto. If the continuing resolution has not been disposed of at that time, the Senate will continue its action thereon. I think the prospects are fairly good that the Senate and the House will be able to complete their work on the continuing resolution by the close of business tomorrow evening. At least, that can be hoped for.

Several rollcall votes during the day can be anticipated.

ADJOURNMENT UNTIL 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and at 3:29 p.m. the Senate adjourned until tomorrow, Wednesday, October 16, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate October 15, 1974:

IN THE ARMY

The Army National Guard of the United States officer named herein for appointment as a Reserve Commissioned officer of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Richard A. Miller, [redacted] Adjutant General Corps.

IN THE MARINE CORPS

The following-named staff noncommissioned officer for appointment to the grade of first lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Bourgeois, John R.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 15, 1974:

DEPARTMENT OF JUSTICE

George Beall, of Maryland, to be U.S. attorney for the district of Maryland for the term of 4 years.

Johnny M. Towns, of Alabama, to be U.S. marshal for the northern district of Alabama for the term of 4 years.

Charles W. Koval, of Pennsylvania, to be U.S. marshal for the western district of Pennsylvania for the term of 4 years.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

INFLATIONARY IMPACT

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. ALEXANDER. Mr. Speaker, I think that every member of the American public is willing to do his part to end inflation. However, the leadership and the impetus must come from the Federal level. The new Budget Control Act establishes a procedure which should help us eliminate countless dollars in excessive Government spending every year. However, many of our rules and regulations are such that their enforcement results in passing along many hidden costs to individuals and businesses.

I recommend to my colleagues for consideration the following editorial from the Waterways Journal which deals with this subject:

[From the Waterways Journal, Oct. 5, 1974]

EDITORIAL—INFLATIONARY IMPACT

President Gerald Ford describes inflation as America's No. 1 public enemy. No one disputes the accuracy of his designation. The difficulty is how to arrest the culprit, and

it seems at times that there are as many proposals as there are economists in this country. The inland waterways carriers, however, have offered some practical suggestions. Testifying last month at the President's presummit conference on transportation, James R. Smith, president of The American Waterways Operators, Inc., presented the views of the water carriers.

Four basic factors are responsible for inflation in the water carrier industry, Mr. Smith declared. The cost of fuel has gone up 300 percent since 1972; wages and the cost of materials have risen; the cost of money is up, and there is excessive federal regulation. The first step in meeting this situation, he emphasized, is to require that an "Inflationary Impact Statement" be submitted for all proposed governmental regulations "which may reasonably be suspected of having exceeded the bounds of a proper ratio between public needs and the ability of the economy to pay."

This proposal makes sense. Economists agree that increased productivity has a major role in halting inflation. In Mr. Smith's words, "It is the productivity per man and per dollar that moves goods from factories to consumers efficiently." The inland waterways carriers have done more than any other mode of transport to maximize their efficiency. Bigger towboats and increased tow size contribute to both fuel and cost efficiency.

Intramodal flexibility in Mr. Smith's judgment, must be encouraged so that each form of transport can serve the needs for which it is best suited. William J. Hull, president of the National Waterways Conference, Inc., also stressed this point in his annual report to the NWC's annual convention in Memphis. He declared that the era of ancient feuds between railroads and barge lines must be ended. He added:

"The nation is no longer faced with an either-or situation with respect to bulk commodities. We will need every gondola, every hopper car and every barge and towboat for which we can muster the steel and capital to put into service in the coming years if we are to solve the grave problems that confront us with respect to energy and materials production and distribution."

Not only should there be careful scrutiny of new regulations, but existing regulations of the Environmental Protection Agency and the U.S. Coast Guard should be reviewed to evaluate their effect on inflation. "Each government regulation has its cost effect," Mr. Smith pointed out. "Every nuance of an agency directive has its inflationary effect. These increases will ultimately be passed on to the consumers of the product or service regulated."

As the AWO spokesman reminded the conference, federal agencies have virtually buried the inland waterways operators "beneath a mountain of new regulations" and all of them are expensive in manpower, costly in capital investment, wasteful of energy and inflationary.

All water resources organizations agree with the need to protect the human environment. Some of the environmental regulations are necessary and reasonable. The trouble is that many of them are needlessly stringent and add fuel to the inflation spiral. Inflation too, affects the human environment, and in a real sense many of the environmental regulations are self-defeating.

We agree with Mr. Smith that any move to curb inflation calls for a three-pronged attack by the federal agencies, the Congress and the carriers. The carriers have demonstrated their acceptance of this responsibility. Now it is up to the agencies and the Congress to do as well.

A NOBEL PRIZE TO FRIEDRICH VON HAYEK, A CHAMPION OF ECONOMIC FREEDOM

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. KEMP. Mr. Speaker, for those who look for encouraging signs in the struggle for the survival of freedom and the exercise of individual economic choice, it was indeed a bright ray this week when the announcement was made that Friedrich von Hayek had been chosen to share this year's Nobel Prize in economics.

The Swedish Royal Academy of Sciences' citation stated that he is being honored not only for his contributions to economic theory, but also for his "penetrating analysis of the interdependence of economic, social, and institutional phenomena." Perhaps the Swedish Academy is reflecting, through this award, not only a long-overdue recognition of Hayek's contributions to economic and social thought, but also their own country's rapidly rising discontent with both socialist theory and applied socialism.

What is it that we should learn from his works?

Hayek warns against the dangers of central planning and government intervention in the economy. He argues convincingly—with the full force of his extensive and acute analysis of economic history—that persistent government intervention leads, eventually but inevitably, to the total State control of life through centralized economic planning—whether it be Communist, Socialist, or Fascist.

His understanding of the institutional dynamics of interaction between man and the state—in the political framework inherent to any government—led him to conclude, in his 1944 classic work, "The Road to Serfdom," that government is tempted to intervene more in the economy to correct its own mistakes and to shore up its standing with the public than to allow the self-balancing laws of supply and demand, exercised daily in the millions of transactions between consumers and producers, to aright economic imbalances. Could there ever be a more accurate portrayal of what we are witnessing today in this country—in an effort to overcome the inflation which was produced by Government action in the first place—than that observation?

There is much more to learn from Hayek's works. He postulated in the 1931 work, "Prices and Production," that all recessions are the result of large fluctuations in the money supply, whether caused by government or private forces. This principle served as a cornerstone of the subsequent studies of the monetarist economists. That postulation is of great relevance today.

In awarding him the Nobel prize, the Academy observed:

Perhaps partly due to this more profound analysis, he was one of the few economists who gave warning of a major economic crisis before the Great Crash came in the autumn of 1929.

His observations were right then as to what reckless Government spending and irresponsible fiscal policies would do. He predicted the crash; it came. Those spending and fiscal policies are being repeated today. We should heed his observations before it is too late.

I congratulate Professor Hayek on the receipt of his coveted award. It is an outstanding recognition of the life and works of a man whose postulation of ideas will live as long as men care to choose the instruments of freedom to those of tyranny. I personally thank him for his monumental "The Constitution of Liberty" which has played such a central role in shaping my ambition to help promote the cause of individual liberty.

REAL CONSUMER PROTECTION

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. ARCHER. Mr. Speaker, there has been much attention given this year to the problems of the consumer in American society. All of us are consumers and as consumers are hurt by the rising inflation in our country. Higher prices provide difficulties for all levels of our society. A chief cause of this inflation has been deficit spending by the Federal Government which hurts the consumer at the most vulnerable spot—the pocketbook.

Certain special interests have pushed for a federally financed and all powerful Consumer Protection Agency which would champion the interest of all consumers. In reality, it would establish a group of elite Federal bureaucrats which would have the ultimate power to determine what is "good" and what is "bad" for the consumer. The basic assumption behind this proposal is similar to the assumption behind other "Big Brother" government schemes: The individual consumer and citizen does not have the intelligence or ability to decide his or her own best interests. Recent experiences with the arbitrary regulations and bureaucratic redtape of agencies like the Occupational Safety and Health Administration and the Environmental Protection Agency should make us cautious in establishing another Federal bureaucracy no matter how noble or desirable the purpose.

The true champion of the consumer is not the advocate of a strong Consumer Protection Agency but the opponent of such a bureaucratic organization which would entangle large and small businesses in regulations and further diminish the voice of the ordinary citizen in the marketplace. The real friend and champion of the consumer are Members of Congress who vote to oppose enlarging the Federal bureaucracy at additional costs to the average taxpayer and who vote to oppose massive Federal

spending which contributes to the problem of inflation.

The House of Representatives passed a Consumer Protection Agency bill earlier this session of Congress; the Senate recently failed for the fourth time to break a filibuster against the bill. I would like to enter into the RECORD an excellent editorial in the Washington Star-News of October 5, 1974, discussing the real significance of this bill:

NO DEFEAT FOR CONSUMERS

It was unfortunate, for the imagery involved, that the bill to create a federal Consumer Protection Agency had to be defeated by a filibuster instead of on the demerits of the plan. But the consumers are lucky, we expect, that the measure died in the Senate, for this was one of those well meant, simplistic proposals that could have brought more headaches than protection in the long run. It will be reborn, of course, in the next Congress, but at least some time is afforded to consider the issue apart from election-year pressures.

There is much more to it than meets the eye. This proposed new independent agency—to represent consumers' interests before other agencies and the courts—easily could become the fastest-growing arm of the federal bureaucracy. The proponents were willing to start rather small—with almost anything, in fact, to get it established. But the prospect, indeed the certainty, of growth was well known. Given the political difficulty of resisting anything that bears the label of consumerism (and this is the cause celebre of many activists), vast expansion of the agency's manpower and jurisdiction seems inevitable. Before long it could be trying to respond to every gripe in the country, and might very well become an administrative monstrosity.

Almost everything, as we've noted before, is consumer-related, and we doubt that the American public upon reflection will want to add another layer of bureaucracy large enough to deal with everyone's complaints. And who, indeed, is to define the consumers' interests, which often are in conflict? The head of this agency could emerge as the most powerful administrator in government, invested with authority to speak for everyone with one voice. And the difficulty of that was illustrated in the effort to pass the bill: Its advocates, to keep support lined up, had to exempt all labor affairs from coverage. Their concessions even included exemption of perishable commodities, reportedly to gain the vote of a New England senator concerned for the welfare of McIntosh apple growers.

Moreover, the duplication of effort by this superagency could be massive and costly. Most of the regulatory and protective agencies now in existence aren't doing all that badly in looking after the public interest, and Congress can deal with business fraud of various kinds, and threats to health and safety, through specific legislation. In fact, it already has done much of that; several dozen federal consumer protection programs now are in operation. And the country still has much cost to absorb in expensive new programs, such as environmental protection and health-care improvement, which aren't fully appreciated as yet.

The point is that such an all-inclusive proposition should not be accepted, unanalytically, simply because it carries the consumerist tag. For the average citizen, the ultimate cost of such an agency might outweigh any pocketbook benefits it would produce.

PROTEST AGAINST NEO-NAZI PROGRAM ON PUBLIC TELEVISION STATION

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. EILBERG. Mr. Speaker, on September 11, the public television station which serves my district in Philadelphia, WHYY-TV, channel 12, presented a program produced by the National Socialist White People's Party.

As a result of this presentation the station received a great many letters of protest and many other public statements about the program were issued. On October 7, I placed in the RECORD the comments of the Antidefamation League of B'nai B'rith.

Because this argument centers on one of our basic principles of our democracy, the right of free speech, I believe both parties must be heard. For this reason I now insert into the RECORD the response to these complaints by Warren A. Kraetzer, executive vice president and general manager of WHYY-TV:

RESPONSE TO COMPLAINTS BY WARREN A. KRAETZER

I am deeply concerned that our recent (September 11) TAKE 12 program occasioned not only your letter of protest by the appearance of the National Socialist White People's Party but also your stated intent not to be supportive of Channel 12 in the future.

Therefore, I trust that you will give me the opportunity to outline the purposes and guidelines of TAKE 12 since its inception in June 1973. TAKE 12 is a community or free access program series that makes available, upon request, air time and facilities to any non-profit agency, group or organization that observes the following groundrules:

Will not use profane, obscene or vulgar language.

Will not engage in personal attack.

Will not incite to riot.

Will not solicit funds.

During the past sixteen months several hundred community groups have appeared on TAKE 12, some of which espoused unpopular or controversial ideas. These kinds of programs are broadcast on Channel 12 not to be a platform for acceptance but rather to create an awareness of the divergent views held by others in our community.

It is my belief that our free society is strengthened by the exposure of ideas and ideologies no matter how repugnant and abhorrent they may be. TAKE 12 is a mirror of what our community is; not as we would like it to be nor as we pretend it is.

The TAKE 12 program under question was not presented arbitrarily or without a recognition of its sensitive nature but rather with the considered judgment that the views of this splinter group will be discredited and repudiated by the people who saw and heard it.

Not as a defense but rather as a supportive view, may I commend for your reading a copy of the editorial which appeared in the *Jewish Exponent* on September 20 as it related to this particular program.

Please be assured that we at Channel 12 are not unmindful of your views or concerns about our programs. However, we do hope that as you consider the broad range of our programming over the years, you will recognize that Channel 12 has demonstrated continued fairness and integrity in its program service for children and adults alike.

We further hope that you will continue to support Channel 12 and thereby give us your confidence and understanding of the difficult road that leads to a truly strong and free society.

Sincerely,

WARREN A. KRAETZER.

[From the Jewish Exponent, Sept. 20, 1974]

NOT EASY TO BE FREE

One who would be free, who would help to shape a free society, has not chosen an easy path.

The libertarian view of a free press is one that subscribes to a "marketplace" in which good ideas and bad ideas, noble ideas and petty ideas, righteous ideas and ignominious ideas vie for public attention. The libertarian contends that rational men, provided access to all ideas, will ultimately arrive at "truth."

This First Amendment argument was amended later by Supreme Court Justice Oliver Wendell Holmes, who admonished that one does not shout "Fire!" in a crowded theater and plead the defense of freedom of speech.

Channel 12's "Take 12" program, dedicated to providing minority points of view with access to the airwaves, recently telecast a program by the American Nazi party. It was blatantly anti-Semitic and anti-Black. It was dedicated to hate.

What applies here—the First Amendment or Justice Holmes' addenda? It is not easy to be free.

STATEMENT OF REPRESENTATIVE BARBARA JORDAN

HON. BARBARA JORDAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Ms. JORDAN. Mr. Speaker, due to an unavoidable absence on Thursday, October 10, 1974, I was unable to vote on seven separate rollcall votes taken by the House of Representatives. Had I been present and voting, I would have cast the following votes:

ROLLCALL VOTES

ROLL NUMBER, ITEM, HOUSE VOTE, AND JORDAN VOTE

600. Conference Report on S. 3792, Export Administration Act amendments. 333–43. Yes.

601. Passage of H.R. 17027, to amend the National Visitor's Center Facilities Act of 1968. 198–159. Yes.

602. A motion to strike section 6 of the conference report to accompany H.R. 8193, Energy Transportation Security Act. 95–261. No.

603. Conference report on H.R. 8193, the Energy Transportation Security Act. 219–140. Yes.

604. A committee amendment to section 10, S. 1296, relating to the lands placed in trust for the Havasupai Indians. 180–147. Yes.

605. An amendment to H.R. 15888 that sought to delete language that authorizes the chairman of the corporation to request funds to restore the capital reserve fund. 146–165. No.

606. Passage of H.R. 15888, to establish a District of Columbia Development and Finance Corporation. 116–191. No.

PAUL G. HOFFMAN

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. FRASER. Mr. Speaker, the death of Paul Hoffman at 83 early this week is cause for reflection by all of us on the greatness of this man who exemplified so much that is good in the character of the American people. He was the perfect example of the conscientious businessman—turned—public servant. His career spanned more than a half century during which he was president of the Studebaker Corp., administrator of the Marshall plan, and administrator of the U.N. development program. He was above partisan politics and his admirers were as numerous in one political party as in the other. A measure of the high estimation in which he was held was a question asked in 1948 by Dwight Eisenhower: "How do we elect Paul Hoffman president of the United States?" Paul Hoffman embodied equal components of humanitarianism, pragmatism, unselfishness, and American optimism.

An editorial in the New York Times of October 9, described Hoffman as "an exponent of all that is best in the American tradition." I insert full text of the editorial at this point in the RECORD.

"FREE AND UNAFRAID"

Paul G. Hoffman was an exuberant exponent of all that is best in the American tradition. A highly successful salesman and corporate executive, he never lost night of the reality that "free enterprise" was viable only to the extent that it genuinely served the interests of human freedom and social responsibility.

This conception of America's role illumed Mr. Hoffman's monumental achievements as administrator of the Marshall Plan after World War II, the most ambitious program ever undertaken, by any victorious nation to rebuild the shattered economies, hopes and spirits of war-devastated countries overseas.

He superintended the spending of $13 billion in European aid, with full knowledge that the greater, the success of his efforts, the more effectively the beneficiaries could compete with United States industry in the global struggle for markets. In the process he accomplished more than arms ever could to keep totalitarianism of left or right from triumphing on the ashes left by Hitler and Mussolini.

The same spirit marked his thirteen years as chief of development programs for the United Nations. The frustrations others had felt never tempered either his enthusiasm or his ability to infuse his hard-headed brand of endeavor into even the most stolid or obstructionist of his client states. The $3.4 billion in U.N. aid he distributed served as seed money for vastly greater outlays in upbuilding underdeveloped nations and expanding opportunities for their people.

When the sterile anti-Communist virus of McCarthyism undermined the Bill of Rights in the nineteen-fifties, Mr. Hoffman stood unshaken in constancy to the real underpinnings of the American way. He moved from presidency of the Ford Foundation to chairmanship of its crusading Fund for the Republic. In a 1956 speech to an American Legion post, he summed up the fund's purposes in a sentence that also summed up his life: "We are trying to help keep this Republic free and strong so that it can give a demonstration to all the world of a free and unafraid society at work."

THE NEED FOR A FEDERAL PRESENCE IN BOSTON

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. BADILLO. Mr. Speaker, I was deeply distressed by the failure of Federal District Judge Arthur Garrity to fulfill Boston Mayor Kevin White's request for Federal marshals to maintain the peace and to aid in implementing the court-ordered busing of students in the troubled New England city. Even more distressing is the rather cavalier attitude assumed by the President in furnishing tacit support for the primary instigators of the violence by publicly expressing his agreement with their cause.

The able and dedicated Mayor White has indicated that he is unable to actively pursue the implementation of school integration plans until such time as his city receives Federal aid in guaranteeing the safety of the schoolchildren. Just this morning there were reports of renewed violence in some of the Boston schools—an all too familiar story in recent weeks. Tragically, the Federal Government has turned a deaf ear to Mayor White's pleas for U.S. Government personnel to aid in maintaining the order and in properly safeguarding Boston schoolchildren and lives and property in the unsettled areas. Many of us have witnessed on television the brutal beating of a parent who was concerned over his child's safety and of news media personnel. Black children and parents are endangering their very lives in a courageous effort to secure equal educational opportunities yet the Federal Government stands mute in the face of prolonged violence in the streets.

Mr. Speaker, regardless of the President's personal views on the issue of busing he must now come to the realization that he no longer represents just the views of the people of Michigan's Fifth Congressional District but those of the entire Nation. He has an obligation to insure that the laws of the land are fully and properly implemented and that the rights of all citizens are upheld and protected. Mr. Ford's hope that the law would be respected rings hollow, and affirmative steps must be taken to furnish the aid and protection eagerly sought by Mayor White. Fortunately, a major tragedy has so far been averted in Boston but there is no guarantee how long this will last in the absence of a Federal presence in the city. I urge, therefore, that the President take prompt and effective action, in cooperation with Mayor White and his administration, to furnish necessary protection with Federal force.

FULL EMPLOYMENT AND MORALITY, JUSTICE, AND EQUITY

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. HAWKINS. Mr. Speaker, the twin evils of massive unemployment and galloping inflation tend to destroy the moral fiber of this great Nation. The Equal Opportunity and Full Employment Act seeks to attack those problems. The bill, which I am privileged to coauthor with the distinguished gentleman from Wisconsin (Mr. REUSS) and which over 60 of our colleagues have joined me in cosponsoring, would establish a national policy and nationwide machinery for guaranteeing to all adult Americans willing and able to work the availability of equal opportunity for useful and rewarding employment.

I am troubled, however, Mr. Speaker, by a disturbing tendency of some public figures to assess the Nation's social and economic health solely in statistical terms—an arbitrarily tolerable unemployment rate of, for example, 6 percent, or the growth rate of our gross national product. This exclusive approach disregards the devastation which unemployment wroughts upon the individual in human terms—to be unemployed is to be regarded as a superfluous person, an unconscionable condition. I urge my colleagues to regard inflation and unemployment, not only in statistical terms, but within the dimensions of morality, justice, and equity.

For example, the administration proposes that temporary public service jobs would go to those persons who have already demonstrated a stable work history. The administration would also accept a level of unemployment of a narrowly defined labor force. Such policies fail to adequately consider the major casualties of the war against inflation in the development of national policy. I regard these policies, without regard to those who bear the brunt of inflation and unemployment, as unwise, regressive, inequitable, and against the national interest.

In developing national policy, we should consider the advances of the poorest of our national population, not simply the needs of a relative minority which has already demonstrated its ability to withstand the ravages of inflation and unemployment. National manpower policy should be directed toward providing for the basic human needs of all of its people, including the least advantaged. National policy should be geared toward narrowing in the increasingly large income gaps which are developing between the poor, middle class, and the wealthy.

In conclusion, Mr. Speaker, I urge that, in the development of social policy for this Nation, we remain ever vigilant to the potential for unwittingly adopting regressive, Calvinist attitudes. The poor need not always be with us. Their condition shall and must be improved. We can do so, however, only by rejecting the

idea that a given level of unemployment is tolerable. We can do so by rejecting the view that only those who have held jobs for a given period of time shall be assisted in public employment programs. These views are counterproductive and inhuman. They weaken the fabric of America and are not in our national interest.

CONGRESSMAN WILLIAM MOORHEAD ON MASS TRANSIT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. FRENZEL. Mr. Speaker, I insert, and invite the attention of my colleagues to an article in the October issue of Mass Transit by Congressman BILL MOORHEAD, chairman of the Joint Economic Committee's Subcommittee on Mass Transit.

BILL MOORHEAD brings fresh air and sunlight to a subject clouded by conventional, and often spurious, wisdom generated by the interest groups who run the unattractive and inefficient systems in our population centers. The Moorhead concepts of decisionmaking based on sound data, and of leadership incentives, are heresy to the vested interests, but will make great sense to the people.

I believe BILL MOORHEAD is one of the few straight thinkers in Congress on mass transit. I applaud his thinking, his article, and his bill.

NEEDED: A POLICY AND PRIORITY FOR TRANSIT

(By WILLIAM S. MOORHEAD)

Many of us in the Congress who have long advocated a greater Federal commitment to urban mass transportation services have been extremely heartened by the tremendous interest in public transportation this year. The energy crisis, among other factors, has precipitated an unprecedented commitment to improving urban mass transportation services; a commitment which has long been overdue. New voices of support have become conspicuous both within the Congress and the Nixon Administration.

Justifications for developing more balanced urban transportation services are manifold. Most recently Americans have become aware of the enormous dependence on mass transportation services. Similarly, damage to air quality and time consuming traffic congestion are minimized by shifting automobile drivers to public transportation services. Finally, we cannot ignore the obligation to provide transportation services to the poor, the aged, and the handicapped who cannot transport themselves. Hopefully, we have reached the point where urban mass transportation services will receive the type of federal assistance reserved, in the past, for the stronger highway interests.

At the same time, however, that we need expanded mass transportation programs and increased dollar commitments, we must evaluate program performance more carefully so that we can assure that American taxpayers are getting the most for their federal transportation dollars. In recent hearings before the Urban Affairs Subcommittee of the Joint Economic Committee, it has become clear that our urban transportation programs have not been as successful as we would like. Ridership has declined, deficits have soared and, most important, the overall quality of service has disappointed many. While these developments are due partially to insufficient funding and partially to population and income shifts, they also result from poorly defined and shifting national transportation policy. In fact, testimony by Administration officials before my subcommittee has indicated a reluctance to develop any national transportation policy, much less one that incorporates clear objectives, strong incentives for performance and provisions for more effective program evaluation. In my opinion, a national transportation policy is essential if we are to improve the effectiveness of our urban transportation expenditures.

POLICY CONFLICTS

As part of this policy, we must begin to evaluate urban transportation expenditures on the basis of what we are trying to accomplish with this money. Modal conflicts, which have dominated past discussions, must be put aside, so that we may begin to focus policy on our overall objective of transporting people with the minimum of social, economic, energy and environmental costs. For example, the benefits of shifting an automobile driver to a car pool or an automobile driver to public transportation are quite similar. Both improve energy consumption, both improve environmental quality and both reduce traffic congestion. Similarly, if we want to reduce peak hour automobile useage, staggered work hours, car-pooling and other non-public transportation strategies will complement the effectiveness of improved public transportation services. This is not to minimize the importance of public transportation. Quite the contrary, it is the key to all energy conservation, environmental preservation, and congestion reduction strategies in our urban areas. However, we must point out that a broad range of strategies can complement and enhance the effectiveness of urban mass transportation expenditures.

As a first step toward the development of a national transportation policy, I have suggested that the formula for distributing Federal transportation assistance incorporate incentives for shifting people from private automobiles to public transportation. Such a formula would allocate transportation assistance on the basis of the percentage of daily person trips carried by public transportation in an urbanized area, or the market share of total trips carried by public transportation. This formula clearly provides incentives for attracting automobile drivers to public transportation, rather than incentives just to increase transit body counts or total miles traveled.

A transit system which attracted new riders from their automobiles would receive greater federal assistance per rider than a system that attracted people who had walked previously. Since it is more costly to attract automobile drivers than walkers, federal assistance would be more consistent with the costs of attracting new riders to public transportation. This very simple formula will provide incentives to cities to consider a broad range of strategies to increase their market share, and thus increase the effectiveness of their urban transportation expendiutres. At the very least, cities will begin to consider how they can most effectively attract automobile drivers to public transportation services.

In addition to providing incentives for improving public transportation's market share, Federal transportation legislation should incorporate guarantees that the transit needs of the poor, elderly and handicapped are considered. Testimony in the Joint Economics Committee hearings suggested that in the past, we have not been as successful in serving these groups as is necessary. I have proposed legislation authorizing a demonstration grant to examine the feasibility and advisability of fare-free mass transportation coupons for the poor, the elderly and the handicapped.

Such a program, would at the very least, make transportation services financially accessible to disadvantaged groups in the population. I would also have the Secretary of the Department of Transportation prepare other proposals he feels would aid in the implementation of our national goal to provide public transportation services to these disadvantaged groups.

INCENTIVES FUND

Finally, it is my opinion, that Federal Transportation legislation should include specific incentives for improving the efficiency and cost-effectiveness of transportation services. The legislation I have proposed will make $400 million available annually, beginning in 1977, for a Mass Transportation Performance Incentive Fund.

This fund will be distributed by the Secretary to those urbanized areas which produce results which compare favorably with the national averages for cost and efficiency I have suggested that cost per passenger carried may be one measure of cost-effectiveness, but have asked that the Secretary develop specific criteria to allocate the performance incentive fund.

In summary, it is essential that urban mass transportation legislation incorporate:

strong incentives to attract automobile drivers to public transportation services through a broad range of strategies;

guarantees that the needs for mobility of the poor, the elderly and the handicapped be met by mass transportation expenditures; and

clear incentives for the development of efficient and cost-effective strategies to attract riders to public transportation. If these three elements can be incorporated in urban mass transportation legislation, it would be a strong first step in the direction of effective public transportation services for decades to come.

JEFFERSON'S 200TH ANNIVERSARY

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. BYRON. Mr. Speaker, this month "Jefferson Town" celebrates its 200th anniversary, commemorating its founding in 1774, the year the struggle for independence for this Nation from Great Britain began, and 2 years before the Declaration of Independence was drafted, recognizing the United States of America.

Jefferson is a town of 1,000 people nestled in the Middletown Valley between Frederick and Harpers Ferry, W. Va. It was, for many years, a stopoff for travelers on the main route, north and south.

In recognition of this historic occassion I submit to you a poem by Folger McKinsey, the Bentztown Bard. The poetry was reprinted in a special supplement of the Frederick Newspost and best sums up the reasons why Jefferson has survived 200 years and will survive 200 years hence.

The poem follows:

THE BENTZTOWN BARD

Jefferson sits by the ancient road
Where teamsters passed with a six-horse load,
Where all the travel of valley and pike
Came through till you never saw the like—
Bell teams traveling to Fredericktown,
Passenger coaches, bearing down
In lofty elegance, wearing upon
Their hames and collars the morning sun.

Jefferson, clean and sweet and prim,
Here at the Middletown valley's rim,
Lives her life in a gentle way,
Smiling as sweet as the lips of May,
Clean and orderly, swept and neat,
Gracious homes on her old Main Street,
Hills around her, and miles and miles
Of farming richness where beauty smiles.

She heard the guns at Crampton's gap,
But never a bullet fell in her lap.
She saw the troops of that elder day
Come and go—it's so far away—
And now she is beauty in placid rest
With the flowers of May upon her breast,
And birds and children and elfin dreams,
And the nearby voice of Catoctin streams.

FOLGER MCKINSEY,
(Known as the Bentztown Bard).

NIX ATTACKS INFLATION OF MILK PRICES, DAIRIES EXEMPT FROM ANTITRUST LAWS

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. NIX. Mr. Speaker, one of the issues that the President neglected in his recent address to the Congress is the exemption under our antitrust laws for dairy cooperatives which empowers people in this industry to arbitrarily set the price of milk nationwide.

This exemption was written into law during the depression. No person, no industry, should have the power to set the price of dairy products while ignoring the free market. A monopoly in milk subjects every family in this country, every child, to the whim and greed of the milk manipulators.

When there is no competition in the marketplace, the only limit on the price for this necessity is the greed of the milk monopoly. The goodwill of the dairy industry with its vast economic and political power is not protection enough for American families.

It is time for a change. Inflation is a curse. But, the dairy monopoly is a curse that we have brought on ourselves. This can be changed by statute because the basis of the dairy power is by statute. The antitrust exemption for the dairy cooperatives must be repealed.

The National Association for Milk Marketing Reform, which is very active in my city under the leadership of Michael Maggio, has provided evidence for us to begin the fight against this vicious monopoly. I want to thank them for their leadership and work and promise them that I will, as one Congressman, dedicate myself to ending the power of the milk monopoly.

CAMPAIGN REFORM DOES NOT MAKE HONEST ELECTIONS A REALITY

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. RARICK. Mr. Speaker, the Presidential signing of the campaign reform bill is hoped by many to signal "honest elections" for years to come. Unfortunately, precisely the opposite may prove to be true.

The removal of financial contributions from political contests does not necessarily "clean up the election process." Powerful pressure groups, using their political muscle alone, or in combination with other special interest organizations, are able to determine the outcome on elections anywhere in the country. A prime example of how the AFL–CIO's Committee on Political Education—COPE—is working toward making George Meany's demand for a veto-proof Congress a reality was seen recently in my defeat for reelection. Richard Cotten, radio broadcaster and editor of Conservative Viewpoint, analyzed results of the September 28 Democratic primary in the Sixth Congressional District of Louisiana and came to some interesting conclusions.

The advance copy of Conservative Viewpoint follows:

RICHARD COTTEN'S CONSERVATIVE VIEWPOINT

Saturday, the 28th of September 1974, saw the culmination of the combined efforts of the ADL, the AFL–CIO, and the bought-and-paid-for black bloc vote to defeat Congressman John R. Rarick, one man who had the courage to truly represent his people on Capitol Hill.

In terms of tactics, we can all learn a little from this 6th District of Louisiana confrontation, a contest not between Congressman Rarick and the young television sports announcer selected to oppose him, but more accurately, Congressman Rarick standing alone against the combined power of Organized Labor, the Anti-Defamation League of B'Nai B'rith, the local and national media, and the black bloc vote which was quite openly bought and paid for. And despite all this august power and the manifest ability to buy and pay for the vote of any and all who considered their vote to be saleable, Congressman Rarick still carried his district—except for the concentrated black vote in East Baton Rouge where of the vote in 18 precincts alone, with a total of 10,122 votes cast for Rarick's opponent, only 128 voted for Rarick. Odds like this do not represent the will of the people in the open society that we would purport to have in the United States of America.

It is not as though Rarick's opposition was a local black folk-hero of the black community, he was just as alien to the black community as Rarick, but with the backing of the local newspapers, television, radio, labor, and the Negro leaders, a 29-year-old television sports announcer was able to receive a bloc vote that smacks of "new" day miracles.

The election was lost by less than 4,000 votes with 117,000 plus votes cast all told. And yet in this one select section, embracing two wards out of three wards, Congressman Rarick's defeat was assured by the bought-and-paid-for bloc vote of the federally registered black voters. Even this tactic would not have succeeded except for the pre-election purge of 5,600 names from the voting rolls, in the remaining ward which just happened to be a Rarick stronghold. Mysteriously they simply never "got around" to purging the rolls in these two crucial wards where this organized black bloc vote was able to separate Rarick from his people.

Looking back it would appear a miracle that John Rarick was able to get elected in the first place. He ran in opposition to the vastly powerful James H. Morrison who, with a seemingly limitless supply of money, much openly admitted to be from the postal employees coffers, was running for his thirteenth term, having served for twenty-four consecutive years. John Rarick won this election handily, with nothing but small contributions, and volunteer work from his "little people."

Succeeding election campaigns were always contests between John Rarick, standing on his own, supported by volunteers and a very limited budget, against the entrenched powers, a controlled press, radio and television. And still he won, despite the most blatant gerrymandering of his district in repeated attempts to make his reelection impossible. But all that transpired in the previous three bids for reelection pale into insignificance as compared with the organized orchestration that assured his defeat last September.

That there were "dirty tricks" to make the Watergate Affair appear insignificant when compared. All the evidence indicates that implementing the labor bosses program, was the black vote, more than sufficient to defeat Congressman Rarick.

It would be well to brief you as to the opponent who was to receive the stolen election as though on a silver platter. We find a 29-year-old Jeffrey Dean LaCaze, born in Kansas City, Missouri and having served in the Navy as an electronic mechanic of some sort from April of 1966, until September of the year to follow. His educational background seems to consist of something less than four years in high school although there is a rumor that he had something to do with college credits in Arkansas. That is debatable.

What is not debatable is that his "claim to fame" lies in the fact that he was given remarkable coverage as the local television station sports announcer. There, as he was being groomed, he received the type of coverage that made his campaign possible. More to the point, however, his employer, Douglas Manship, not only owned the television station but also the Baton Rouge State Times and the Morning Advocate, the two daily newspapers. And he also owned the largest radio station, meaning that for all practical purposes, the media was safely in the hands of LaCaze's employer. I should say former employer, because by mutual agreement, he had stepped down from his lofty vantage point after his filing for the race had become a matter of public record.

Congressman Rarick earned the right to become the victim of George Meany's drive to establish a "veto-proof Congress." Earlier this year, Rarick was listed as a "target" of the AFL–CIO's political machine, the Committee on Political Education (COPE). A political war chest, unrivaled by any other single pressure group, was collected from the dues of union members throughout the United States to defeat the sixteen Congressmen on the "target" list. Rarick was the only Democrat considered a threat to COPE's blueprint for a rubber stamp Congress. Organized labor launched a series of drives to raise at least $40 million to take aim at its "targets," according to columnist Victor Riesel, himself a victim of power politics within organized labor.

There is every indication that business

agents streaming from union halls in the district, fanned out onto the road spent union money wherever necessary. This included buying drinks in barrooms, spreading rumors, contacting their country cousins and even buying votes directly. Young working men who could not get a days call from the union hall, were given a job at the going rate, simply to campaign for John's opponent. Much of these funds never reached John's opponent directly and so were never declared as contributions. They were for "education" of the workers.

Election day itself found organized cadres of husky blacks dressed in conspicuous uniforms of black pants, white shirts and black bow ties, maintaining road blocks and stopping the members of the black community. These crews saw to it that these people voted and took them to the polls themselves where necessary. Irregularities in the polling places were so widespread as to defy description. There were numerous instances reported in which the poll watcher did the voting.

Later in the day black "voting crews", estimated at as many as 150 blacks per crew, went from black precinct to black precinct in the closing hours and determined, with the aid of black poll watchers, who had not yet done their voting. In case after case, upon learning the name of someone who had not voted, one of the crew would qualify himself as the illiterate in question, and cast a non signature vote. Organized right down to the line, no bases left untended by the conspiracy. Typical of the results thus induced in the black voting places, were votes of 453 for LaCaze, 9 for Rarick. Other boxes revealed 589 to 6, 505 to 3, 624 to 6, 701 to 11, 413 to 2, 214 to 0, 635 to 9, 351 to 5, 447 to 10, 455 to 1, 756 to 3, 712 to 4, 1211 to 10, 785 to 4, 515 to 9, and 286 to 0! LaCaze, in thirteen boxes alone, picked up 9000 vote lead. Out of 147 boxes all told in East Baton Rouge, LaCaze led by 10,247 votes. Even with this kind of skullduggery, his final vote in the entire district was only four thousand more than Congressman Rarick, 60,570 to 56,658 to be more specific. Common sense tells us that it is inconceivable that the vote was that one-sided without the poll watchers, and the voting crews, helping with the manipulating.

It has always seemed a particular miracle to me that John has been able to be reelected in this district. Quite aside from the activities of the Labor, Jewish and Negro organizations, it simply didn't seem possible to get out enough of the vote to keep in office, in such a district. The ethnic makeup of the district as a whole is clearly over 25% black and, sorry to say, a somewhat significant white semi-illiterate. Since John would never run on a platform of what he could get for free for his constituents and since his opponents inevitably will, it has always given him a significant handicap.

On the plus side, taxpaying citizens, doctors, lawyers, lumbermen, cattlemen and what have you, in other words, the producing segment of our society, did vote for John Rarick. His opponent received the votes of the welfare state's and political prostitutes. We should view this as frightening.

There can be no question but what a "watergate type" investigation would prove that the election was stolen, not won, by LaCaze. But I don't believe we believe that the "media" is prepared to go after this "liberal" element that is doing so much to undermine the very foundations of our society. We have evidence of 100% voting in certain precincts, where the possibility of this actually happening seems non-existent. Similarly the incredibly one-sided vote that we have described in the earlier paragraphs of this letter just don't appear to be realistic. And if anyone wished to, the monies could be traced, and a flood of one hundred dollar bills inundating the community should call for an investigation but we don't really expect that, now do we?

Anyone that knows John Rarick as well as I do, knows that we have not seen the last of him. In fact, as our nation's 200th anniversary draws near there is every reason to believe that doors will open that will make it possible for him to represent Constitutionalists on an even broader basis. Because, whether the Masters of the Media would like to admit it or not, John Rarick is well on the way to becoming a folk-hero of the Constitutionalists, and there can be no question but what he will continue to serve the cause of his people across this vast nation.

For eight years we have had the advantage of John Rarick's presence on Capitol Hill, now that he is a "graduate student" from that particular vantage point, there will be new horizons to challenge him. We who have watched Congressman Rarick from the days when he was a District Judge in East and West Feliciana Parishes, know that he is the living proof of the old adage, "When the going gets tough, the tough get going." He is also living proof that "One with God is a Majority." True, his people have been taking on the color as a "Dispossessed Majority" in recent years, but pendulums do swing in both directions. What "his kind of people" recognize how the Masters of the Media, working with unassimilable minorities are altering our form of government, then there will be an overwhelming awakening.

A SALUTE TO THE JEFFERSON COUNTY HOUSING AUTHORITY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. MURTHA. Mr. Speaker, one of the counties in the 12th Congressional District of Pennsylvania, which I have the privilege of representing in the House, is Jefferson County.

On Wednesday, October 9, 1974, the Jefferson County Housing Authority took an action which I feel is deserving recognition by all of us in the House of Representatives.

The Jefferson County Housing Authority presented a check in the amount of $2,051.91 to the Jefferson County Commissioners which represented excess funds received from rental moneys in the housing program in Jefferson County.

As you know, the housing authority is exempt under Federal law from paying Federal, State, and local taxes and did not have to pay any money to the county. The housing authority, under the direction of Mr. Charles Setree, the executive director, felt it proper to return the money to the county and borough governments.

There are few housing authorities in America that are operating in the black like the Jefferson County Housing Authority and I felt that such responsibility and administrative capability should be shared with my colleagues as an example of what can be done with housing problems when properly handled.

BELATED TRIBUTE TO PIONEER PRIEST

HON. ABRAHAM KAZEN, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. KAZEN. Mr. Speaker, last week I was pleased to call the attention of my colleagues to a ceremony in my district honoring the patriarch of American Polonia, Father Leopold Moczygemba. This sturdy pioneer priest, attracted to the new land as a missionary, was so impressed that he wrote his family and friends in Poland, attracting almost 100 families to join him. When they arrived, they held a Christmas Eve mass and found the first Polish-American settlement in Panna Maria, Tex.

Last Sunday, the Most Reverend Francis J. Furey, archbishop of San Antonio, more than 40 other priests, and hundreds of south Texas participated in a retirement of Father Moczygemba's remains near the site of that 1854 Christmas Eve mass.

Father Moczygemba's performance of his priestly duties took him back to his native land, to Rome, to other areas of our country, as detailed at the ceremony last Sunday in a stirring address by Rev. Msgr. Erwin A. Juraschek of San Antonio, president of the Polish American Priests Association. Monsignor Juraschek not only told the history of Father Moczygemba's labors but cited the inspiration of his labors and his bravery to all of us who now live in South Texas.

I am pleased to share the message of Monsignor Juraschek with my colleagues:

BELATED TRIBUTE

To this place today, we have brought our lamps, filled with the oil of hope, to the altar of the past, to touch their wicks to the eternal flames of memory and inspiration. In their growing light, we see the young priest Leopold. In full flower is the Faith which his parents planted early in his soul, even as they tilled the open plains of Poland, under skies as endless as the power of God, yet clouded over by the twin tyrannies of Prussian rule and meagre crops.

We see the young priest Leopold, schooled in Italy, ministering to the Catholics of southern Germany. And, then, his vision, his dream, illumined by the inspiring heroism of his brother Franciscans centuries earlier, remembering them then as we remember him today. Remembering them as, in the name of Christ Jesus, they trod the stubborn, vengeful soil of Texas. His dream—his vision—his Franciscan heart aflame with the inspiration of his Spanish brothers' sacrifices, so ancient even then but yet to be redeemed. A sea crossed and then a second. Not yet 28. But five years a priest. He stood at last upon the soil to which God had summoned him; to which he, in turn, would beckon the loved ones of his youth—his kin, his neighbors, the very brothers of his parents' flesh; to which, today, we return his mortal self.

They came, crossing those same seas, their hopes and dreams bounding upwards with the cresting waves. They landed, and at once learned the full price of liberty. For some, the payment was impoverishing, taking all they had, their lives. Their blood drawn from them by the yellow-fever mosquito. The

warmth driven from them by the cruel, north winds of that winter 120 years ago.

From the land which had given them little, they brought little with them. A few dollars to buy land, a few belongings which could be loaded on a hand cart and pushed from Galveston to San Antonio in a three week's march. But they brought great stores of what their ancient land had given them freely, their faith in the ministrations of Christ's church, and a Christ Crucified to pray by, taken down from the walls of the only church they had ever known, carried upon waters and to a land they had never known.

On Christmas eve, they came to the virgin soil of the Rio Cibolo, of the Rio San Antonio. They called it Panna Maria. They took their cross to a high hill. Beneath a sheltering oak and under the outstretched blessing of the Moses who had called them out of the land of oppression and want, they sang the joyous songs of Christmas. That night, Panna Maria gave birth to a new people, the first of their breed, the Polish-Americans. In this New World, they would advance in grace and wisdom and be ever about their heavenly Father's business.

A chosen people, a people chosen to stand beneath a flag which had signalled the victory of Englishmen over a British king, to work beside the Indians who had found Christ under the Spanish flag, to break virgin Texas soil alongside Germans who, like themselves, had escaped the Prussian gun.

They came down from the hill that Christmas eve 120 years ago—to find shelter, to rest, to sleep, and in the coming years to subdue the soil, endure the pitiless stare of a dry and cloudless sky. They would give birth and witness birth and their grandsons and great grandsons would twice make the trip back to Europe, there to put down again and yet again the enemy they thought they had escaped forever.

Their Moses was not to see their Promised Land in the fullness of its promise. Father Leopold moved on, driven now by a new vision. Only years later would he return, briefly, to see the land, softened at last by their unrelenting sweat, yielding up its product, its plenty, its prosperity. But driven now, compelled. To San Antonio. To Galveston. To New York. As the first leader of his order in America. As a simple priest again in Rome, hearing confessions in four languages. Back again in America. In Illinois and Indiana. As president of the Polish Roman Catholic Union. In all these roles, in all these places, his thoughts and labors were shaped by a single dream, a seminary for young Polish-Americans. It opened its doors in Detroit 32 years after the first Christmas eve in Panna Maria. Four years and a few months later the doors of eternity opened and Father Leopold stepped through. Today, the soil of Panna Maria is opened anew, to receive what remains of that powerful body, driven for 63 years by that determined, priestly soul.

Our minds open to the memory of his vision. Our hearts open to the inspiration of his courage. Our hands open to the touch of his strength. We welcome him home. We welcome him as a hero, as a giant who shaped history, who brought great things into being. We cherish what he has given us. We are proud of being one with him in Faith and in blood.

Father Leopold Moczygemba beckons us even now, to yet another Promised Land. It is filled with the milk which nourishes our faithfulness to the individual destiny which God has set before each of us. It is filled with the honey which makes the yoke of Christ sweet. Father Leopold has charted our course. Once again, we prepare to leave the land of the old and familiar, clouded over by compromises with the Devil and concessions to the flesh. We take down the cross of the Crucified Christ from walls stained by the inglorious past. We follow once again, to break virgin soil, to bring forth a harvest of justice and virtue, to bring the warmth of Christ to those who suffer in the cruel, north wind.

We dare today to act bravely because he lived bravely. We resolve to endure, to dream relentlessly, because he showed us how. Through his example, he has placed greatness within our grasp. We touch our lamps to the undying torch. In their surging light, we remember. The memory moves us once again to take up the cross of Christ, to cross alien seas, to find the Promised Land which is in the soul of each of us.

Rev. Msgr. ERWIN A. JURASCHEK,
President, Polish American Priests' Association.

STATEMENT IN FAVOR OF CONFERENCE REPORT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. ABDNOR. Mr. Speaker, today I am riding to South Dakota with the President. The President's departure schedule makes it impossible for me to remain here to cast my vote in favor of the conference report on S. 3007 which I surely would do if I could remain in the Chamber when that measure is considered. I have shared by views on this important matter with many of my colleagues, both in private conversations, and in testimony to the subcommittee which considered this issue.

I would now like to give the reasons I support this conference report to all of my colleagues, and to urge them to join me in supporting this measure:

STATEMENT

This measure presents an opportunity to right a long standing wrong and to put an end to accusations by Indian leaders that our Government does not stand by its commitments to our Indian people. Section 2 of S. 3007 would amend section 2 of the Indian Claims Commission Act to provide that expenditures by the United States for "food, rations, or provisions" shall no longer be deemed "payments" on a tribal land claim.

Although couched in terms of a general change in the law, the proposed amendment is intended to apply, and, according to data furnished by the Commission to the Committee, actually would apply, with only insignificant exceptions, exclusively to the famous Black Hills claim of the Missouri Sioux Nation. This case, which first was filed in the Court of Claims during 1923, but which today, over 50 years later, remains pending and undecided, unquestionably represents the worst example of justice delayed being justice denied in the history of American jurisprudence.

In aboriginal times, the Missouri Sioux Nation was the dominant Indian tribe on the Great Plains, using and occupying a vast area in the present States of North and South Dakota, Montana, Wyoming and Nebraska. Over the years the Sioux landholdings have been drastically reduced, until they now occupy parts of seven reservations which lie within my District in South Dakota. Of the estimated 60,000 Missiuri Sioux presently living throughout the country, approximately 30,000 are my constituents. As is the case for Indians generally, they are at the very bottom rung of the economic ladder, with poverty and unemployment rates many times the national average.

In the rapid descent of the Missouri Sioux from power and affluence to destitution, no single event played a more significant role than on Government's taking of the Black Hills pursuant to the Act of February 28, 1877 (19 Stat. at L. 254). The Indian Claims Commission, in a decision handed down earlier this year, already has determined that the 1877 Act violated the Sioux Treaty of April 29, 1868 (15 Stat. at L. 635) and thus constituted a taking of Sioux land in violation of the Fifth Amendment. A full record concerning the historic background and legal consequences of the 1877 Act has been compiled during hearings before the Subcommittee on Indian Affairs and need not be given in detail in this letter. Suffice it to say for present purposes that the taking of the Black Hills is so important not only because this country unilaterally deprived the Indians of such valuable property—7,345,157 acres inside the Great Sioux Reservation with known gold deposits of incalculable worth, plus abrogation of treaty-guaranteed off-reservation hunting rights—but more particularly because the 1877 Act marked a turning point in relations between the United States and the Missouri Sioux: the point at which the Federal Government forced the Sioux into dependency; the point at which the Sioux no longer could believe our Nation's word.

So great was the wrong, so devastating and far-reaching was the impact of the 1877 Act upon Sioux society that the Black Hills claim literally has become part of the Sioux way of life. I do not exaggerate when I say that generations of Sioux have looked to redress of that grievance as their lodestar, as the ultimate test of whether the United States in fact has changed its policies towards Indians. I need hardly add what is all too self-evident: that many of these generations have gone to their death with their hopes unrequited. Fifty years is simply too long to wait for justice. Our Government should not and, indeed, cannot afford to allow this blot upon our national honor to drag through the courts any further.

Last year's disorders at Wounded Knee may no longer be fresh in our minds. However, the rabble-rousers who fomented trouble there used as their rallying cry the Government's breach of the 1868 Sioux Treaty and the taking of the Black Hills. Such a siren song could have struck a responsive chord in the hearts of all the Missouri Sioux, and it is a tribute to this fine people that the overwhelming majority still placed their faith in the United States. I suggest that it makes good public policy as well as good fiscal policy now to take the rabble-rousers' slogans away. In short, let Congress take action to forestall a new outbreak, and not just leave the Executive and the courts to respond when a crisis already has arisen.

With these thoughts in mind, let me relate the language of the conference report before us. As is cogently pointed out in the report on S. 3007, which has been passed by the Senate:

"The United States never has paid the Sioux a cash consideration for the Black Hills land and minerals taken under the Act of February 18, 1877. Article 5 of the 1877 Act did provide, however, that the Government would furnish the Sioux 'with subsistence consisting of a ration for each individual of a pound and a half of beef (or in lieu thereof, one-half pound of bacon), one-half pound of flour, and one-half pound of corn * * * until the Indians are able to support themselves.' The Commission has determined that the furnishing of rations to the Sioux constituted a payment on the Black Hills claim within the meaning of sec-

tion 2 of the Indian Claims Commission Act, and thus that the value of such rations must be deducted from the value of the land in order to arrive at the amount of just compensation due the Sioux. The Government has asserted that the United States expended almost $25 million for Sioux 'provisions' up to 1924, a figure which, if verified, would substantially wipe out the Black Hills claim.

"The facts are, as the Commission found, that the United States disarmed the Sioux and denied them their traditional hunting areas in an effort to force the sale of the Black Hills. Having violated the 1868 Treaty and having reduced the Indians to starvation, the United States should not now be in the position of saying that the rations it furnished constituted payment for the land which it took. In short, the Government committed two wrongs: first, it deprived the Sioux of their livelihood; then it deprived the Sioux of their land. What the United States gave back in rations should not be stretched to cover both wrongs."

Adoption of the conference report on S. 3007 would correct the above-described inequity by amending section 2 of the Indian Claims Commission Act to provide that "food, rations, or provisions" shall not be deemed to be payments on a land claim, and thus would insure that the Missouri Sioux will be paid the full fair market value of their property as of the taking date, February 28, 1877. In the Black Hills case—and, as previously noted, this is the only significant case affected by the pending bill—such a change in the law also would eliminate the necessity for a prolonged and expensive GSA investigation into the amount of rations furnished under the 1877 Act, and thus would move this long-delayed claim a substantial way further to a final decision. That result, I am convinced, clearly is in the interest of both the United States and the Sioux.

As far as I am aware, no opposition exists to approval of S. 3007 in principle.

In summary, the time has come, I believe, when Congress itself should act in relation to the Black Hills claim and passing the problem back to the Indian Claims Commission would be tantamount to an abdication of that responsibility. Secondly, although vesting the Commission with discretion to allow or disallow gratuities as offsets against a tribal claim has been a long-recognized practice, following that pattern clearly seems inappropriate in the Black Hills situation where the United States concededly deprived the Sioux in a single transaction of two property rights, their land and their livelihood. Lastly, authorizing the Commission to pass upon whether payments for food should be treated as payments for land will frustrate one of the basic purposes of the pending bill, the elimination of a long and expensive GSA investigation into these expenditures.

FREE CHINA

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. HUNT. Mr. Speaker, today marks the 69d anniversary of the Republic of China. Reflecting on this day it is my hope that this pillar of freedom a few miles off the shores of the Communist mainland will remain free and strong.

In the past 25 years on the island of Taiwan, under the guidance of its symbol and President, Chiang Kai-shek, the Republic of China has developed into a great economic force in the world. The freedoms the citizens of Taiwan enjoy are unparalleled in Chinese history. Even the visitor has freedom of movement and speech. Quite unlike, Mr. Speaker, the Communist controlled mainland, with which it is still in a state of war.

It is appropriate and fitting too, to state at this time America's pledge to Taiwan, to preserve this free outpost in the Pacific against military and economic catastrophe.

On this day which has such significance for our Republic of China friends I merely say congratulations, your strength is in your freedom. With this you will survive and continue your growing role in affairs of the world.

FARM PRODUCTIVITY ABROAD

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. FRASER. Mr. Speaker, increasing agricultural production in poor countries abroad is absolutely necessary if we are to make lasting headway in combatting hunger afflicting millions of men, women, and children.

An article by Edgar Owens of the Agency for International Development stresses what can be accomplished through small farm, labor intensive agriculture. Mr. Owens was a witness at joint Foreign Affairs Subcommittee hearings last month on U.S. policy and world food needs.

Following the hearings, I introduced a resolution with bipartisan cosponsorship which deals with the world food situation. The resolution, House Resolution 1399, has been approved by the Foreign Affairs Committee and is awaiting House action. The resolution favors, among other things, vigorous efforts to increase farm productivity in poor countries through labor intensive, small farm agriculture.

Following are some excerpts from Mr. Owens' article, "World Lilliputs Hold the Answer to Famine Threat," which was published by the Washington Post October 13, 1974:

EXCERPTS FROM WORLD LILLIPUTS HOLD THE ANSWER TO FAMINE THREAT

(By Edgar Owens)

The real nature of the world food problem . . . is specifically a shortage of foodgrains—wheat, rice and corn are the most familiar to Americans. For the pitifully poor, the foodgrain of their area is two-thirds or three-fourths of their diet. Just a single food represents the difference between hunger and satisfaction for literally hundreds of millions of people. Countries can increase their production of foodgrains only by increasing yields per acre because nearly all the arable land in developing countries is already being cultivated. For this reason, food-grain productivity is the key indicator of a country's ability to grow enough food to feed its own people.

* * * * *

"Emphasis on yields per acre is relatively recent. Through 5,000 years of history, food production has been increased primarily by opening new lands for cultivation as populations gradually expanded. In recent decades, countries have begun to exhaust their supply of land. Fortunately for the world's peoples, this exhaustion happened to coincide with the explosion of agricultural science. The 'biochemical agricultural revolution'—improved seeds, fertilizer, disease and pest control—has become the route to more food through higher yields per acre.

"This shift from 'extensive' to 'intensive' farming, which began in Japan around the turn of the century, became widespread in the West during the period of World War II. During the 1930s, food-grain yields in rich and poor countries alike were low. Since the Second World War, however, yields in the rich lands have bounded upwards so rapidly that today they are 2½ times higher than in the poor countries (2,640 pounds per acre as compared to 1,135 pounds).

"Because the population of the developing lands has risen faster than their farm productivity, the countries have shifted from being food-grain exporters to food-grain importers. Before World War II, the poor countries exported 12 million tons of food-grains annually, mostly to Western Europe. In 1972, these countries imported 44 million tons of food-grains, mostly from the United States and Canada.

* * * * *

To Americans, accustomed to multi-hundred-acre farms, big tractors and a constant decline in the number of farmers, viewing the farm economy of developing countries must seem like Gulliver in the Land of Lilliput. Four-fifths of the farms in poor nations are less than 12 acres. In the very crowded countries, such as Egypt, Taiwan, Bangeladesh, Indonesia, as well as rich Japan, the average farm is as little 2 or 3 acres, hardly a cabbage patch to an American farmer. Clearly the big tractors and combines which, to Gulliver, are synonymous with modern agriculture in his own country do not fit the Lilliputian farms of the developing world.

"Further, there are seemingly endless numbers of farmers cultivating these tiny plots. In relative terms, the poor countries have 50 or 75, even as many as 100, times as many farmers as the United States. It it possible to organize a high productivity agriculture in Lilliput?

"The world food problem is really a problem of political will, or rather the lack of it, in all but a handful of developing countries. In most developing countries, agricultural advance has been concentrated on their own Gullivers. In Mexico, for example, only 3 per cent of the farms—large, mechanized and irrigated—account for four-fifths of the increase in agricultural production. The one-sixth of Mexico's farmers who cultivate them are prospering, but half of Mexico's farmers actually have less money today than in 1950. These poor farmers, also continue to have a baby a year, for among the pitifully poor there still lingers the notion that more hands mean more work—and therefore more food.

Mexico's "dual farm economy," a handful of Gullivers and a multitude of rapidly multiplying Lilliputians, is alas, the common pattern throughout the developing world. The Gullivers often are as productive as farmers in the rich countries. But the combination of the two groups adds up to mediocre national performance—Mexico's food-grain yields of Egypt and Taiwan—and the threat of hunger.

"The place to look is Japan, Egypt, Taiwan and, to a lesser extent, South Korea, the four countries that have found a way to combine microscopic farms and a superabundance of farmers with a modern science-based agriculture in which both the productivity and incomes of 2-acre farmers rise.

"Such a system is known as "small-farm, labor-intensive" agriculture.

"As compared to American farming, small farm systems rely relatively much more on agricultural chemicals, such as fertilizer, as the means of increasing output and on

farming techniques, or "cultural practices," many of them carried out by hand. The reason the small Egyptian or Taiwanese farms can usually outcompete the American farmer on a per-acre basis is that the farmer on a small farm works harder and longer on each of his acres.

"The improbable feature of small farm systems to Americans is the use of small-sized farm machinery and tools to supplement human effort, not replace it, to increase the amount of work farmers can do rather than drive them off the land. It is this concept of mechanization which explains the extraordinary number of hard-working farmers on the tiny plots of Egypt and Taiwan.

"Egypt and Taiwan have combined this unusual use of farm machinery with land reform, protection of their tenant farmers, cooperatives that work, high taxes to finance the cost of rural public investment, integrity in public administration and the accounting of farmers' funds and other activities which make up what the experts call "rural development."

"It is this emphasis on the non-technological issues of agricultural advance that separate Egypt and Taiwan from other developing countries. These are precisely the issues that are politically sensitive. But experience tells us that without legal protection and strong local institutions there can be neither equity nor high productivity in agricultural development. Without legal protection, small farmers will continue to be exploited in traditional ways by the Gullivers of their country. Without strong local institutions, 2-acre farmers will not get their 2-acre share of credit and fertilizer and access to the market to sell the increased production which fertilizer makes possible.

* * * * *

"The complex problem of small farm development, and whether and how the United States might be able to help, was clearly recognized a year ago by the House Foreign Affairs Committee.

With remarkably little notice by the press and the public, the committee initiated, and the Congress passed, the most significant policy change in the history of the always controversial "foreign aid" program. Future foreign aid, said the Congress, is to be aimed directly at the people Congress described as the "poorest majority," the hundreds of millions of villagers and urban slum dwellers whom Americans have always wanted to be the beneficiaries of American help. Most of the "poorest majority," more than half the total population of the developing countries, are small farmers. The Congress disdained Gulliver-like "made in America" solutions to the problems of Lilliput and endorsed the concentration of American help in those countries, and there are some, where the problems of the "poorest majority" are being recognized.

"The November World Food Conference in Rome provides an excellent opportunity to show that we are trying to understand the food/population problem and want others to understand it, too."

GENOCIDE IN BOSTON

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. RARICK. Mr. Speaker, the tragic busing in Boston has forced national attention on the parents of schoolchildren in the area, but has done little to explain the frustrations of those parents, mainly of Irish or Negro extraction, in forced busing of the children to achieve racial balance.

Even the international one-worlders at the United Nations condemned as genocide the "forced transfer of children to another human group" for the expressed purpose of destroying the identity of the children.

The act of busing schoolchildren for the express purpose of achieving racial balance comes precisely within the intent of the international crime of genocide. For busing is being required or manipulated "to destroy in whole or in part" cultural differences by intermixing different races as well as national origins to achieve the announced goal of overcoming racial identity in schoolchildren, an unnatural racial balance.

The liberal's fascist iron fist is showing again in Boston. Let Americans awaken lest they be denied immortality through their children. While I am not and never have been an advocate of or supporter of the United Nations movement, I do feel that our colleagues might find of interest the record of the United Nations General Assembly debates on the Greek Amendments to the Genocide Treaty, which culminated as article II (e) to include "forced transfer of children to another human group" under the definition of the crime of genocide.

I include the U.N. debates following my remarks:

UNITED NATIONS GENERAL ASSEMBLY, THIRD SESSION, SIXTH COMMITTEE, SUMMARY RECORD OF THE 82ND MEETING, HELD AT THE PALAIS DE CHAILLOT, PARIS, ON OCTOBER 23, 1948

CONTENTS: GENOCIDE. DRAFT CONVENTION AND REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

The Chairman stated that the remaining amendment to article II was that submitted by the Greek delegation and providing for the addition of a final paragraph reading as follows: "(5) Forced transfer of children to another human group". (document A/C. 6/242).

Mr. Vallindas (Greece) recalled that the draft Convention on genocide prepared by the Secretariat included in its enumeration of the material means which might be used for committing genocide the "forced transfer of children to another human group". That clause was classified among the means of cultural genocide and he would draw the attention of the committee to the fact that the experts who had advised the Secretariat in the preparation of the draft Convention "were agreed that this point should be covered by the Convention on genocide".

Only two Governments had expressed their views on that clause. The French Government was in principle opposed to the inclusion of cultural genocide but that opposition surely did not extend to the special case of forced transfer of children, an act far more serious and indeed barbarous than the other acts enumerated in the first draft Convention under the heading a cultural genocide, such as the prohibition of the use of a national language, the destruction of books or of historical or religious monuments. Such acts could be covered by other rules of international law, especially by those dealing with the protection of minorities. The forced transfer of children on the other hand had not only cultural, but also physical and biological effects since it imposed on young persons conditions of life likely to cause them serious harm or even death.

The United States Government, although opposed to the principles of cultural genocide as stated in the first draft Convention, had nevertheless made an exception in the special case of the forced transfer of children to another human group. The draft convention submitted by the United States included the clause of the "forced transfer of children" as a final clause in the enumeration of the acts constituting physical and biological genocide.

The amendment now submitted by the Greek delegation had the same end in view and was made necessary because the draft Convention prepared by the ad Hoc Committee did not include that clause in the enumeration of Article II.

There could be no doubt that a forced transfer of children, committed with the intention of destroying a human group in whole, or at least in part, constituted genocide. The forced transfer of children could be the means of destroying a human group as efficient as that of imposing measures intended to prevent births, or that of inflicting conditions of life likely to cause death.

Since the enumeration of the acts in Article II of the draft Convention was restrictive, the Greek delegation wished to emphasize the necessity of including the "forced transfer of children". It was a means of committing genocide used not only in the past but even in the present.

Mr. Tarazi (Syria) said that the amendment submitted by the Greek delegation was similar to that submitted by his delegation and was being met by the same criticisms. The Syrian delegation would vote in favour of the Greek amendment since it considered that the crime of genocide was not confined only to the destruction of a human being, but included also the element of threat of destruction. In the case under discussion that element constituted a decisive factor.

Mr. Morozov (Union of Soviet Socialist Republics) considered that the Greek amendment, like the Syrian, went far beyond the limits of the provisions already accepted under Article II. That, from the legal point of view, was the main objection. From the historical point of view there were recorded many acts of the destruction of children and young people, but there were none of forced transfer constituting genocide. The point was already fully covered by the provisions of the draft Convention and since the Greek amendment was justifiable neither from the legal nor from the historical point of view, the Soviet delegation would vote against it.

Mr. Manini y Rios (Uruguay) did not consider that the Greek amendment was similar to the Syrian of which a correct interpretation had been given by the USSR representative. But the Greek amendment dealt with clearly defined cases of genocide where the destruction of human groups could occur. Since measures to prevent births had been condemned, so also should be condemned measures intended to destroy a new generation through abducting infants, forcing them to change their religion, educating them to become enemies of their own people. He would vote in favour of the Greek amendment.

Mr. Maktos (United States of America) stated that although he had voted against the Syrian amendment, he would vote in favour of the Greek amendment. The Syrian amendment was formulated in terms too indefinite to allow of strict interpretation—there was, for example, the time factor which came into play in the term "subsequent ill treatment"; it went beyond the definition of the crime of genocide. The Greek amendment on the other hand was very clear, and he would ask the Committee to consider what difference there was from the point of view of the destruction of a group between measures taken to prevent birth half an hour before the birth or measures of abduction taken half an hour after the birth.

Mr. Rafaat (Egypt) asked what was the precise meaning of the term "forced transfer". Was transfer from one country to another implied or was the reference to transfer from one political or religious group to another? If it were the first, then the Greek amendment was similar to the Syrian; if the second, then the amendment should be considered together with the Pakistan amendment (document A/C.6/229) to draft Article III which dealt with forced conversion to another religion.

Mr. Vallindas (Greece) stated that the Greek amendment was couched in the same terms as the corresponding provision in the first draft Convention prepared by the Secretariat and meant the forced transfer from one human group to another.

Mr. Lache (Poland) was not sure of the precise meaning of the Greek amendment. The transfers carried out by the Germans during the past war were certainly to be condemned, but the word "transfer" could also be applied to the evacuation of children from a theatre of war; such evacuation had in fact been carried out by institutions working under the aegis of the United Nations. He joined with the representative of Egypt in asking for elucidation of the point.

Mr. Vallindas (Greece) stated that the Greek delegation had not had in mind only a specific case such as the forced transfer of Greek children. There had in past history occurred cases when Christian children were abducted and taken to the Ottoman Empire. But a discussion of the Greek case was not appropriate in a Committee engaged in drafting a convention. In submitting the amendment, the Greek delegation was merely actuated by a desire to contribute to a more satisfactory draft and to secure the inclusion of the proposed paragraph in the enumeration under Article II. It was for the Committee to decide if forced transfer was or was not an efficient means of destroying a group. Article II presupposed intent to destroy and enumerated types of acts. There could be no doubt that that act also constituted an efficient means of committing genocide, there being no difference between sterilization, abortion, and abduction.

Nor was it primarily an act of cultural genocide. It could in certain cases be so, but it could be perpetrated with the intent to destroy or to cause serious harm to members of a group.

Mr. Dihigo (Cuba) said that, if the Greek amendment were read in conjunction with the introductory paragraph to Article II, it would be seen to follow on sub-paragraphs 1 to 4 quite appropriately.

Mr. Kaeckenbeeck (Belgium) feared that, although the Greek amendment covered a very important point, its inclusion would broaden too much the scope of the convention and hamper its practical application. Certain transfers of population did not necessarily mean the physical destruction of groups. Kauckenbeeck recalled that the Committee had rejected the idea of declaring forced displacement in general to be genocide. Should it now decide differently with regard to the displacement of children? It was necessary to take a decision on cultural genocide in connexion with Article III before considering the Greek amendment. He added that the wording of the amendment was too vague.

Mr. Lachs (Poland) agreed with the Belgian representative. The Greek representative had not sufficiently clarified the meaning of his amendment. By referring to the abduction of Greek children, the Greek representative had given the matter a distinct political bent.

Mr. Abdoh (Iran) felt that, as the Greek amendment concerned cultural as well as physical genocide, it had better be discussed after Article III.

Mr. De Beus (Netherlands) agreed that the discussion of the Greek amendment should be postponed until a decision had been taken on cultural genocide. There might be cases of the forced transfer of children which were tantamount to genocide, but, in its present wording, the Greek amendment was too vague to justify immediate adoption. Certain questions might arise, for example, whether forced transfer necessarily meant mass transfer; whether the forcible transfer of children to schools of a different language or religion constituted genocide.

Mr. Mactos (United States of America) remarked that it was a simple matter for any member to move the postponement of an amendment which the member did not favour. He felt that the Greek amendment should stand on its own merits and not be associated too closely with cultural genocide. Even if it were subsequently decided to include cultural genocide in the convention, a judge considering a case of the forced transfer of children would still have to decide whether physical genocide was involved.

He stressed that, in the eyes of a mother, there was little difference between the prevention of a birth by abortion and the forcible abduction of a child shortly after its birth.

Mr. Manini y Rios (Uruguay) agreed with the United States representative that there was no reason why such acts of physical genocide should be associated with cultural genocide.

Mr. Vallindas (Greece) emphasized that the addition proposed by him must be read as following on the first part of Article II. It was not connected with cultural genocide, but with the destruction of a group, with physical genocide.

Mr. Zourek (Czechoslovakia) observed that the Committee unanimously deprecated the forced transfer of children, but that it must be clear of its position. Cases of transfer must either be regarded as temporary, as the Polish representative had seemed to indicate, or else as cases of forced transfer from one group to another; in the latter case, the amendment would have to be considered in connexion with the Pakistan amendment to Article III. He therefore supported the Belgian proposal.

The Belgian proposal to postpone consideration of the Greek amendment until Article III had been discussed was rejected by 20 votes to 17, with 5 abstentions.

Mr. Morozov (Union of Soviet Socialist Republics) stated that no one had been able to quote historical cases of the destruction of a group effected by the transfer of children. There had been a reference to Hitlerite crimes committed against children; the aim of the transfer of children by the Germans had, however, been to secure slave labour. If the children later died in the performance of that labour, their deaths could not be directly attributed to their abduction, but would be covered by point (3). In the case of abductions carried out in the time of the Ottoman Empire, the aim had been to enslave children for economic reasons. The United States representative had a wrong approach to the problem. If the intent of the forced transfer was indeed to destroy a group, the four previous subparagraphs at the beginning of Article II would apply.

There were no legal grounds for including the Greek amendment, as it was physical destruction that was under consideration, and the Greek amendment suddenly took up the very different problem of the transfer of individuals.

Mr. Iksel (Turkey) explained that his voting against the Greek amendment should not be associated with unfair remarks about the Ottoman Empire.

Mr. Maktos (United States of America) pointed out that the adjective "forced" appeared before the word "transfer" in the Greek amendment.

He further observed that Article III was concerned with the prohibition of language, religion, monuments, et cetera, and found it difficult to see how the transfer of children could fit into that context.

The Greek amendment (document A/C.6/242) was adopted by 20 votes to 13, with 13 abstentions.

PROTEST AGAINST THE TURKISH INVASION OF CYPRUS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. EILBERG. Mr. Speaker, the actions of the Turkish Government in invading Cyprus were immoral and violated the rules set down when we agreed to supply it with arms. For this reason I voted to cut off arms shipments to Turkey and will vote today to override President Ford's veto of this legislation.

The brutal and illegal Turkish invasion is still a source of great concern to Americans of all backgrounds. At this time I enter into the RECORD a statement on Cyprus by the officers of the Metropolitan Christian Council of Philadelphia and the chief executives of member denominations of the council:

STATEMENT ON CYPRUS

(By the officers of the Metropolitan Christian Council of Philadelphia and the chief executives of member denominations of the council)

We have followed with grave concern the painful course of events in Cyprus over the past several weeks, while recognizing the complexity of the long standing difficulties on the island.

We strongly disapprove the intervention of foreign military forces which has resulted in death to many persons, deep suffering among the civilian population and the uprooting of thousands of people from their homes.

We condemn the non-compliance with the United Nations Security Council resolution which called for cease fire and negotiations.

We urge full continuing adherence to the cease fire by the parties involved and the settlement of their differences around the negotiating table.

We call for the full representation of the people of Cyprus in these negotiations. The aim must be that the people of this island, Cypriotes, Turks, Armenians and Greeks alike, should be able to decide their own future and govern themselves without any foreign intervention.

We urge the Government of the United States to use its diplomatic offices to restrain the aggressive acts of foreign military forces in Cyprus, to cooperate with other major powers in cultivating a political climate conducive to the maintenance of peace and to support all efforts through the United Nations to bring about the peaceful settlement of differences.

Persons endorsing the statement include the following:

Francis G. Brown, Chairman, Metropolitan Christian Council of Philadelphia; General Secretary, Philadelphia Yearly Meeting of the Religious Society of Friends.

The Rev. William J. Shaw, President, Metropolitan Christian Council of Philadelphia.

The Rev. Dr. Rugus Cornelsen, Executive Director, Metropolitan Christian Council of Philadelphia.

The Rt. Rev. James M. Ault, Bishop Eastern Pennsylvania Conference, United Methodist Church.

The Rev. William J. Brown, Executive Presbyter, Donegal Presbytery, United Presbyterian Church in the USA.

The Rt. Rev. E. L. Hickman, Bishop, First Episcopal District, African Methodist Episcopal Church.

The Rev. Dr. William A. Janson, Jr., President, Southeastern Pennsylvania Synod, Lutheran Church in America.

The Rev. William L. Johnston, Executive Minister, Philadelphia Baptist Association, American Baptist Churches in the USA.

The Rev. Carl M. Klies, Moderator, Philadelphia Classis, Reformed Church in America.

The Rev. Father John A. Limberakis, Archpriest, Greek Orthodox Community of Philadelphia.

The Rt. Rev. Lyman C. Olgiby, Bishop, Diocese of Pennsylvania, Episcopal Church.

The Rev. Dr. John C. Shetler, Conference Minister, Pennsylvania Southeast Conference, United Church of Christ.

The Rev. Dr. Frank H. Stroup, Executive Secretary, Philadelphia Presbytery, United Presbyterian Church in the USA.

The Rev. Harrison J. Trapp, Moderator, Pennsylvania Baptist Association.

PROFESSOR HAYEK ON MONETARY FRAMEWORK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. DERWINSKI. Mr. Speaker, as a Representative from the State of Illinois I take particular pride in calling to the attention of the Congress the award of the Nobel Memorial Prize in Economic Science to Prof. Friedrich A. von Hayek, an award which Dr. Hayek will share with Dr. Gunnar Myrdal.

For 13 years, we in Illinois had the honor of Professor Hayek teaching and writing in our midst. From 1950 to 1963 he was professor of moral and social science in the committee on social thought of the University of Chicago. Although this is an intellectual center rivaled by few in this country or abroad it was further distinguished by the presence of Professor Hayek; it was there that he wrote what may be his greatest work, "The Constitution of Liberty," a masterful restatement of the principles of classical liberalism for our own time.

Although Dr. Hayek was born in Vienna, Austria and taught at the University of London for many years—he still remains a British subject—his ties to this country are many and deep. "The Constitution of Liberty," in fact, is dedicated to "The Unknown Civilization that is Growing in America."

At this critical point in our economic life, I would like to particularly recommend this timely and thoughtful book to our colleagues. I should like, to include parts of Professor Hayek's insightful chapter on inflation—Chapter 21, "The Monetary Framework"—in the RECORD at this time:

MONETARY FRAMEWORK

2. With government in control of monetary policy, the chief threat in this field has become inflation. Governments everywhere and at all times have been the chief cause of the depreciation of the currency. Though there have been occasional prolonged falls in the value of a metallic money, the major inflations of the past have been the result of governments' either diminishing the coin or issuing excessive quantities of paper money. It is possible that the present generation is more on its guard against those cruder ways in which currencies were destroyed when governments paid their way by issuing paper money. The same can be done nowadays, however, by subtler procedures that the public is less likely to notice.

We have seen how every one of the chief features of the welfare state which we have considered tends to encourage inflation. We have seen how wage pressures from the labor unions, combined with the current full-employment policies, work in this manner and how the heavy financial burden which governments are assuming through old age pensions are likely to lend them to repeated attempts to lighten them by reducing the value of money. We should also note here, although this may not necessarily be connected, that governments seem invariably to have resorted to inflation to lighten the burden of their fixed obligations whenever the share of national income which they took exceeded about 25 percent. And we have also seen that, because under a system of progressive taxation inflation tends to increase tax revenue proportionately more than incomes, the temptation to resort to inflation becomes very great.

If it is true, however, that the institutions of the welfare state tend to favor inflation, it is even more true that it was the effects of inflation which strengthened the demand for welfare measures. This is true not only of some of those measures we have already considered but also of many others which we have yet to examine or can merely mention here, such as rent restrictions on dwellings, food subsidies, and all kinds of controls of prices and expenditures. The extent to which the effects of inflation have in recent times provided the chief arguments for an extension of government controls is too well known to need more illustration. But the extent to which, for over forty years now, developments throughout the whole world have been determined by an unprecedented inflationary trend is not sufficiently understood. It is perhaps best seen in the influence that it has had on the efforts of the generation whose working life covers that period to provide for their old age.

It will help us to see what inflation has done to the savings of the generation now on the point of retiring if we look at the results of a little statistical inquiry. The aim of the inquiry was to determine what would be the present value in various countries of the accumulated savings of a person who for a period of forty-five years, from 1913 to 1958, had put aside every year the equivalent in money of the same real value and invested it at a fixed rate of interest of 4 per cent. This corresponds approximately to the return which the small saver in Western countries could have obtained from the kind of investment accessible to him, whether its actual form was a savings account, government bonds, or life insurance. We shall represent as 100 the amount that the saver would have possessed at the end of the period if the value of money had remained constant. What part of this real value would such a saver actually have had in 1958?

It seems that there is only one country in the world, namely, Switzerland, where the amount would have been as much as 70 per cent. The saver in the United States and Canada would still have been relatively well off, having been able to retain about 58 per cent. For most of the countries of the British Commonwealth and the other members of the "sterling bloc" the figure would have been around 50 per cent, and for Germany, in spite of the loss of all pre-1924 savings, still as much as 37 per cent. The investors in all those countries were still fortunate, however, compared with those in France or Italy, who would have retained only between 11 and 12 per cent of what the value of their savings over the period ought to have been at the beginning of 1958.

It is usual today to dismiss the importance of this long and world-wide inflationary trend with the comment that things have always been like that and that history is largely a history of inflation. However true this may be in general, it is certainly not true of the period during which our modern economic system developed and during which wealth and incomes grew at an unprecedented rate. During the two hundred years preceding 1914, when Great Britain adhered to the gold standard, the price level, so far as it can be meaningfully measured over such a period, fluctuated around a constant level, ending up pretty well where it started and rarely changing by more than a third above or below that average level (except during the period of the Napoleonic wars, when the gold standard was abandoned). Similarly, in the United States, during the period 1749–1939 there also does not seem to have occurred a significant upward trend of prices. . . .

Though there may be some people who explicitly advocate continuous inflation, it is certainly not because the majority wants it that we are likely to get it. Few people would be willing to accept it when it is pointed out that even such a seemingly moderate increase in prices as 3 per cent per annum means that the price level will double every twenty-three and a half years and that it will nearly quadruple over the normal span of a man's working life. The danger that inflation will continue is not so much due to the strength of those who deliberately advocate it as to the weakness of the opposition. In order to prevent it, it is necessary for the public to become clearly aware of the things we can do and of the consequences of not doing them. Most competent students agree that the difficulty of preventing inflation is only political and not economic. Yet almost no one seems to believe that the monetary authorities have the power to prevent it and will exercise it. The greatest optimism about the short-term miracles that monetary policy will achieve is accompanied by a complete fatalism about what it will produce in the long run.

There are two points which cannot be stressed enough: first, it seems certain that we shall not stop the drift toward more and more state control unless we stop the inflationary trend; and, second, any continued rise in prices is dangerous because, once we begin to rely on its stimulating effect, we shall be committed to a course that will leave us no choice but that between more inflation, on the one hand, and paying for our mistake by a recession or depression, on the other. Even a very moderate degree of inflation is dangerous because it ties the hands of those responsible for policy by creating a situation in which, everytime a problem arises, a little more inflation seems the only easy way out.

We have not had space to touch on the various ways in which the efforts of individuals to protect themselves against inflation, such as sliding-scale contracts, not only tend to make the process self-accelerating but also increase the rate of inflation necessary to maintain its stimulating effect. Let us simply note, then, that inflation makes it more and more impossible for people of mederate means to provide for their old age themselves; that it discourages saving and encourages running into debt; and that, by destroying the middle class, it creates that dangerous gap between the completely propertyless and the wealthy that is so characteristic of societies which have gone through prolonged inflations and which is the source of so much tension in those societies. Perhaps even more ominous is the wider psycho-

logical effect, the spreading among the population at large of that disregard of long-range views and exclusive concern with immediate advantages which already dominate public policy.

It is no accident that inflationary policies are generally advocated by those who want more government control—though, unfortunately, not by them alone. The increased dependence of the individual upon government which inflation produces and the demand for more government action to which this leads may for the socialist be an argument in its favor. Those who wish to preserve freedom should recognize, however, that inflation is probably the most important single factor in that vicious circle wherein one kind of government action makes more and more government control necessary. For this reason, all those who wish to stop the drift toward increasing government control should concentrate their efforts on monetary policy. There is perhaps nothing more disheartening than the fact that there are still so many intelligent and informed people who in most other respects will defend freedom and yet are induced by the immediate benefits of an expansionist policy to support what, in the long run, must destroy the foundations of a free society.

WHILE GOVERNMENT FOOD STATISTICS RISE, YOUR FOOD PRICES SKYROCKET

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. OWENS. Mr. Speaker, our American republic has faced national emergencies before. War, natural catastrophes, and economic upheavals are not strangers to the American people. To them the spirit of sacrifice is not new. When necessary, when pressed upon by nature, they are enobled by their willingness to sacrifice.

But today, we face a grave trial. Before us we see the horrible specter of inflation grown rampant. Allowing inflation is a tax without legislation, a tax without representation, an oppression to the poor. It cannot be allowed to exist unaddressed.

Our situation is made more grave, unlike other times of emergency, because we also face a crisis of spirit.

In 1932, Franklin D. Roosevelt came before this body in times no less vexatious and declared that we have "nothing to fear but fear itself." I believe those words. We need that kind of leadership today.

It is a quality of leadership to call for sacrifice, but the responsibility of Government is to insure that it is fairly distributed, that all will share the burden. It is to this leadership the people turn for resolution so that economic crisis does not become a crisis of the spirit, a sacrifice of the many for the few.

The time for experimentation is passed. There is no more time to trifle with the expectations and confidences of the American people. They can, and they must be told that the remedy is not easy, the causes are not singular, the recovery process not without sacrifice. They must also be told what the process is, and why the end is not in doubt.

It makes little sense to ask the consumer for less consumption when the market already makes no exception for its limitations of their demands. The American consumer buys fewer cars, and the price goes up, he turns down his thermostat, and he pays more to make up for what he did not use. He buyes fewer clothes, gives up his vacation, and drives less, but prices continue to go up.

My purpose today is not to discuss the whole problem, but to focus upon the most fundamental element, the cost of food.

You have to eat. It is inescapable.

The economics of consumption are not complex. Consumers are paying more and farmers are getting less. And the Goverment tells us that we spent 14 percent more for food this summer than we did last summer; 14 percent is bad enough, but it certainly seems to hurt more than 14 percent.

It is the increasing price of food and our inability to deal effectively with these costs that is probably the largest single source of frustration for the American consumer. It is in how we spend our food dollar, or what we cannot buy with our food dollar, that is one of the cruelest punishments of inflation. The average American wage earner pays about 20 percent of his income for food. For the older American, it is over 30 percent of his income. The individual has already been fed his diet of austerity. It is evident that "tight money" or "fiscal restraint" alone is not a satisfactory solution to this problem. Nor can the problem be dismissed alone by the cold calculus of demand over supply. A meaningful discussion of problem and resolution must include an understanding of the data employed.

The Bureau of Labor Statistics tells us that prices for food at home have increased 14 percent during the year beginning in July 1973 and ending this past summer. I believe that this figure represents a serious distortion of what is really happening to the American diet and obscures real problems in our food distribution and marketing system.

Basically, the food price index of the Consumer Price Index is based on the increase of cost in about 100 selected food items. Each item is weighted in relation to its importance in the American diet. A tottering system, based upon 1961 eating habits, the BLS idea has not been updated to reflect changes in our eating habits. For example, meats are weighted heavily in the BLS system, and meat prices are down 9.6 percent over the last year. So this holds the index down. But at the same time, Americans are eating less meat; 6 percent less beef than last year, and nearly 20 percent less pork from 1971 levels. It also happens that pork is generally eaten more than beef by the less affluent members of our society. So it is not coincidental that we are eating less meat and more beans. Meat prices have decreased 9.6 percent, but dried beans have increased 300 percent.

So while the Government tells us that it is only costing us 14 percent more, we know that it is costing us more than that.

Salt Lake City is not one of the cities sampled by the BLS. We have been informed, however, that Salt Lake City is one of the four most expensive cities for food in the United States. An independent study has been done in a large discount grocery store, comparing June 8, 1973, retail prices with the shelf prices of September 16, 1974. It indicates that something is very wrong. Common brand name foods that are typical of the average American's eating habits were selected. The 1973 products were picked first, on the basis of diet, and then a comparison was made with this September's prices.

WHAT HAS ACTUALLY HAPPENED TO THE COSTS OF FOOD FOR A DAY IN SALT LAKE CITY?

BREAKFAST

Instant Tang for your juice has increased in price by 33%.

Wonder English Muffins have increased by 38%.

If you spread them with Parkay margarine, this has increased by 106%, considering the tax reduction; however, butter has decreased by 1%. Welch's Grape Jelly has increased by 41%; or for those who prefer Miller's honey, it is an increase of 29%.

For the pancakes, Pillsbury Hungry Jack Mix has increased by 32%; Aunt Jemima Pancake Mix has increased by 36%. Log Cabin Syrup has shown an increase of 36%, and Nalley's Lumber Jack by 43%. Mazola for the griddle has gone up 88%, or Crisco has increased 136%.

Folger's regular coffee has increased 22%, but MJB instant has gone up 55% in price. Nestle's Choc Quick has increased 34%. U & I sugar for your coffee has increased 156%.

For cereal, it is better to stay with "All-American Boy" Wheaties, Breakfast of Champions, which has increased only 18%. A second choice would be Nabisco Shredded Wheat, at 27%. However, if the kids insist, Cheerios has increased 37%, Kelloggs Sugar Pops, 34%. Post Raisin Bran has jumped up 50% in cost, (yet DelMonte seedless raisins are only up 33%).

2% milk in cartons has only increased by 9%, but if you have been trying to keep costs down by using Carnation Instant, it has increased 36%, or Pet evaporated milk has increased by 58%.

Fortunately your morning egg is still within the range of the index.

FOR THE SACK LUNCHES THAT HAVE TO BE PREPARED

Bread costs 49% more now, than 15 months ago.

Skippy Peanut Butter has increased 25%.

Kraft American Cheese for sandwiches only 14%, but the Best Foods Mayonnaise Spread is up 89%.

Clover Club potato chips have gone up 68%, or Doritos, which have increased by 28%, or Fritos, which have gone up in price 15%.

Oreo Cookies are up 39%, Nabisco Old Fashioned Ginger Cookies up 49%.

Glad Sandwich Bags have increased 16%, and Handiwrap has gone up 12%.

Napkins are up 29%, and the cost of Zee Brown Lunch Bags are up 31%.

THE DOG HAS TO BE FED

All beef Alpo is down 6% (a bright spot for some of the poor, if reports are true and if they can afford the more expensive brand of dog food).

Friskies are up 24% and Ken-L-Ration is up 25%.

A LIGHT LUNCH AT HOME

Campbell's Beef Soup has increased in price by 28%, and saltines are up 54%. Cottage cheese has increased by 31%.

Some canned fruit, such as Del Monte cling peaches has increased by 30%, and Rosedale pears are up 32%.

If you prefer a little ice cream, the minimum priced store brand has risen 34%, or

Meadow Gold brand, for ½ gallon, is up 22%.

An afternoon Tab will cost you 40% more, Shasta 36%, and a Coke is up 6%. (If you purchase it at the right time and in the "proper" containers).

AN ECONOMY DINNER WITH A MEXICAN ORIENTATION

Woods Cross tomatoes are up 52%.

Golden Grain Pinto Beans are up 198%, or refried beans, from a can, Little Pancho, are up 52%, to 126%, depending upon the size purchased.

Minute rice has risen by 48%, or if MJB is chosen long grain rice, cooked, has increased 106%.

Tortillas, Little Pancho have increased by 17%, and Mexicorn by 10%.

A Jello Desert will cost 50% more, flour for a cake 36%, plus 88% to 136% for shortenings.

If Gerbers is represenative, baby food has increased 25%.

Popcorn for watching the NFL game or TV movie will cost you 66% more for the 3 Minute Yellow brand in 2 lb. bags.

CLEANLINESS IS ALMOST AS NECESSARY AS FOOD

Dial Soap for the shower has gone up 30%, and Palmolive has increased 40%.

Tide or Oxydol for the clothes have both increased 18%, All in a 9 lb. bag by 33%, or the economy detergent, Jumbo Sun Low Suds by 88%.

Clorax is up 19%, and Downey Fabric Softener by 7%.

Dishes also have to be washed, and Joy is up 34%; Thrill is up 24%, and the economy store brand 34%. Calgonite for your dishwasher is up 15%.

A 3 lb. container of Saniflush has been replaced with a 31-oz. container at the same price for a 41% increase.

Delsey bathroom tissue is up by 39%. Scott paper has increased their prices and reduced the quantity in their packages so that Soft and Pretty has increased by 117% and the 10-roll family size has increased 44%. A 4-roll family size thas increased by 84%.

Note that the so-called economy items and brands have consistently increased by a greater percentage than the more expensive items: The poorer you are, the tougher it is.

The average increase of the items reflected in the survey was up a whopping 43 percent. It is a figure on this order, I submit, that comes closer to capturing the tragic and tremendous cost of inflation on our food prices.

It is all too apparent that more monetary restraint, more fiscal control alone, will break the back of the consumer long before it breaks the back of inflation. The problem is endemic in the structure of our food marketing system.

There are those who would control the problem at the State and local level where the people are. While this objective is laudable, they have not learned that you do not bind tigers with twine or control price exploitation by local alone. Most of the food and household products bought in Utah are supplied by large, multi-state and international corporations. For example, Procter & Gamble—Comet, Crest, Bold, Crisco, Duncan Hines, et cetera—1973 sales exceeded the total gross sales in Utah—sales and services subject to the sales and use tax—by 3.5 percent.

The food and household production and distribution "giants" whose actions have a major impact on Utah consumers could be discussed for hours. A listing of a few other corporations, with some of the brand names and 1973 sales as a percentage of total sales in Utah is illuminating:

Kraftco Corp.—95% of Utah (Kraft, Miracle Whip, Parkay, Etc.)

R. J. Reynolds—87% of Utah (Camel, Winston, Salem, Chun King, Etc.)

General Foods—70% of Utah (Tang, Kool-Aid, Post Cereals, Etc.)

Beatrice Foods—75% of Utah (Royal Crown, Swiss Miss, Viva, Etc.)

Coca Cola—57% of Utah (Fresca, Sprite, Tab, Minute Maid, Etc.)

How much impact can any one individual or group have on one of these "giants"? Obviously, there is neither a private group nor a local government body that can prevent these very large corporations from administering prices, instead of letting the market set the price. This is a national problem. A problem of Federal antitrust enforcement. Certainly these Utah prices would find similar parallels elsewhere.

The purpose of Government action is the restoration of our competition as the protector of the consumer in the value and quality of the food they buy. A specific program must include consideration of the following elements:

First. Free enterprise and the laws of supply and demand, are the cornerstone of our economic system, but we have allowed this principle to be subverted by the continuing trend toward concentration of incredible economic power. How often must we learn the painful lesson that antitrust laws must be enforced if we are to control these cancerous growths on our economy. If we allow them to continue to grow, unchecked, they will squeeze the life blood from our economy and kill the spirit of our people. We cannot ask for the present sacrifices while allowing a gap of hypocrisy to exist between what we say and what we do.

The people of Utah are highly independent people, and our State economy is based on small businesses and family farms, but our people cannot compete against conglomerates like ITT, whose 1973 sales were 2.7 times the entire gross sales and services in Utah. These are often companies who use their tremendous economic power to buy influences at the national level to further subvert the process of free enterprise.

The final evidence of such economic distortions occurred in August of this year, when the chairman of the Federal Trade Commission, Lewis A. Engman, stated that his agency was continuing an extensive investigation to determine whether the food industry is limiting competition in an attempt to drive up prices.

My office has recently been informed that the FTC will shortly file major antitrust actions against some retail dealers in the food industry and others in the chain of distribution.

Second. We must have legislation to insure that there will be no further "Russian wheat deals," no further Government assisted sales of commodities below prevailing world prices.

Third. The Washington bureaucracy must change its data reporting procedures to more accurately reflect the real patterns and costs of the American diet. The last Household Consumption Studies by the Department of Agriculture were done nearly 10 years ago. We really don't know how people really spend their food dollar, or how price changes affect diet. The BLS food cost index needs to be revised to more accurately reflect the current situation. We need to know the truth about what is actually happening.

I am sure my colleagues in the House share my concern for the speedy resolution of these problems. It is through the insistence of Congress that better statistics will be kept. The other objectives can only be met by prompt and decisive legislative action.

DR. WINFIELD W. RIEFLER: THE ECONOMIST—THE MAN

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. BROWN of Michigan. Mr. Speaker memorial services were held for Dr. Winfield W. Riefler at the Cosmos Club here in Washington on May 7, 1974. The holding of the services is attributable to the thoughfulness of Mr. Ralph A. Young, a former close friend and associate of Dr. Riefler, and was in recognition of the important service rendered to the Federal Government as a financial economist and adviser by Dr. Riefler.

In view of the relationship between Dr. Riefler and those who participated, it could be suggested that the opinion expressed during these memorial services were biased; however, I believe any fair examination of the Riefler record will establish the validity of the proposition that his contributions to the Federal Government and all Americans placed him a notch above most who functioned and performed in a similar capacity.

In order that my colleagues may have the advantage of the remarks expressed by the participants in these memorial services, I am including a transcript of them at the end of these prefatory remarks. However, as a sort of synopsis, I would like to mention that during the 1930's Win was secretary of, and adviser to, President Roosevelt's National Executive Committee on Measures for Economic Recovery; first Chairman of the Government's then newly established Central Statistical Board; and, finally, adviser to the Department of the Treasury on its fund to stabilize the dollar internationally. Some have characterized Win as the first more or less specifically designated economic adviser to a President; while others have noted that he was one of the original "brain trusters" in the economic area to President Roosevelt; and, still others remember him as the "father of FHA."

During World War II, he was the U.S. Economic Minister to the British Government in London where he functioned in the capacity of director of the allied governments efforts in economic warfare. From 1948 to 1959 he served as assistant to the Chairman of the Federal Reserve Board under Chairman McCabe and Chairman Martin, and during the period 1952 to 1959 he was Secretary of the Federal Open Market Committee.

Although obviously Win and I were of different partisan persuasians, my many conversations with him while I resided in his home while attending law school at the George Washington University caused me to conclude that we had similar goals and objectives even though we might not have been in agreement with respect to the means and mechanisims which could be best utilized to accomplish such goals and objectives. In all such conversations, I never had any occasion to question Win Riefler's dedication and commitment to decisionmaking in the public interest.

The remarks of those participating in the memorial services follow:

REMARKS BY RALPH A. YOUNG

As long time friends of Winfield Riefler we gather today with his wife and two sons, David and Donald, to pay homage to a life richly lived. That life we all know was consistently zestful, varied in its intellectual and artistic interests, and unselfish toward his family, professional associates, and the community at large.

As an economist, Riefler was a man of high competence, restless energy, and determination. He entered the profession in a transitional period that demanded intimate familiarity with the doctrines handed down from predecessors. Much of this received wisdom Win Riefler found acceptable but only on a level of generality that made him dissatisfied and restive as it did others of his contemporaries.

The challenge to the younger members of the profession, therefore, was to acquire comprehensive and detailed empirical knowledge of economic institutions and markets. Such knowledge would serve as a foundation for modernizing the body of economic doctrine. It was up to the new generation to see that the needed knowledge was rapidly accumulated and to devise new methods for accumulating. Specialization was called for. In Win's case the area of special interest was money, banking, and financial institutions. He applied himself diligently to this area and during the 1920's had two major achievements to his credit. The first was a pioneering study, Money Rates and Money Markets, published in 1930; the second, an important new quantitative series that reduced monetary factors determining the demand for credit at Reserve Banks to precise quantitative terms.

Not satisfied with this professional record, Riefler's imagination reached out into the central problem of the modern economy: How can a technological society achieve a more stable, orderly, and equitable performance than heretofore? The economic catastrophe of the 1930's raised compelling questions that had to find answers despite the absence of adequate knowledge. About this time a call to coordinate the Federal statistical service opened up an opportunity to reshape and extend the Federal Government's statistical program to better meet modern informational needs. But before this task could be accomplished, Win's energies were completely absorbed in devising remedies for faults in the financial system which the economic collapse had disclosed.

Win's experience up to this time prepared him for a broader role in advancing economic research for which he had a rare talent, in centralizing a broad design for desirable research, and in breaking it down into manageable parts for analysis. Exciting the interests of some younger economists by persuasive presentation of the possibility, often soliciting or arranging the necessary funding, and making full use of his own wide experience.

My first contact with Reifler came in 1929 when I was spending a year at the Department of Commerce. The elder statesman, David Friday, told me that Riefler was the ablest and most imaginative economist in Washington, and urged me to meet him and seek his views on my developing research interests. I acted promptly and found myself engaged in a very exciting conversation. I was fascinated. The imprint he left on my mind was deep and permanent. Eight years later he visited me at the University of Pennsylvania to engage my interests in an exploratory survey of research and finance under the auspices of the National Bureau of Economic Research. I jumped at the opportunity and there began a personal and collaborative relationship that was broken only by the war years and lasted until his retirement in 1959.

There are others who want to memorialize Win Riefler this morning, each from his particular relationship. First of these is Donald Riefler who will offer his views of Win as a man and a father. The other participants need no introduction and will follow one another in accordance with the listing on the program.

May 7, 1974.

REMARKS BY DONALD B. RIEFLER

Win was a great guy and it was lucky for me to be his son, but it's difficult today to express easily what I felt about him, so I thought I'd mention a few incidents that took place between us during our lives because they are meaningful to me and I think they might be indicative of the kind of father that he was. I'll start early.

In about the third grade, reports came home from school that I was having an extremely difficult time learning how to read, and Win decided this was something he would take in hand personally. He always loved games and decided to devise a game that would solve this problem. So we got the book out and in the back were series of words listed in groups of ten and he told me that I could study the book as long as I wanted to and for each ten that I could get right without an error he would give me a dime. For each one I got wrong I had to pay him a penny and of course didn't get the dime for getting the ten right. Well, he knew me well too, I guess, and it didn't take long before I learned how to read and was making a lot of money from him.

A little later on, one characteristic that both David and I had as children that Win was not necessarily particularly pleased about was the fact that we had a reputation of being somewhat mischievous, but he had different ways of handling this too. I recall one day that in the winter we were living in Princeton and David and I were outside on the other side of the road with some snowballs and we were throwing snowballs at cars that were driving by, and we both let fly and suddenly realized simultaneously that the car that just drove by was a policeman's. As the snowballs crashed into the car, David took off like a shot.

The policeman jammed on the brakes and I was petrified and couldn't move. He came storming out of the car and I wasn't sure what he was going to do to me. About this time, Win apparently had been watching out of the window and he saw this activity going on. He came striding out of the door with a grim look on his face, and marched across the street and grabbed me by the arm and he said "Officer, I'll take care of this." At that stage of the game he led me back into the house, and I was still wondering what was going to happen to me next. After he got me in the house he walked back to the library and I could just see the side of his face and see just a little grin coming across his face. He knew I had learned that lesson very well. Nothing more need be said.

Toward the end when we were down in Florida, Win got very reminiscent, and he would recall his life, and we were conversing one day about the early days of the New Deal. Win, of course, had been with the Federal Reserve at that time and was asked to join the New Deal as an economic adviser. When he did it, a lot of his friends at the Federal Reserve and a lot of his friends on Wall Street thought that this was a great mistake—that the New Deal was doing many things that were not considered reasonable and why should Win associate himself with this kind of a crowd. Win said he never understood that attitude at all, that he felt this was a marvelous opportunity. All sorts of new ideas were being proposed in the New Deal, some good and some bad. And it was an opportunity to get in there and work like hell for the good ideas and reject the bad ones.

And that was Win's message, he always believed in being involved and working like hell for the good ideas.

May 7, 1974.

REMARKS BY MILES L. COLEAN

I feel rather inadequate to this assignment because there are others in this audience, and some who could not be here, who could recite this experience more aptly and more comfortably than I can. So by default I will tell my experience with Win in the early days of the New Deal.

I had read about Win and his proposal for a mortgage insurance plan back in Chicago before I came to Washington for five days in the spring of 1934, and by a set of curious chances, found myself among the group that was working on the legislation and establishment of an organization of what became the Federal Housing Administration. The origin of that idea came in the National Security Council to which Win was an adviser; and I think it is safe to say that Win was the first official economic adviser that the Federal Government had ever had. Marriner Eccles was closely associated with the enterprise, which was to find some stimulating force that would not require Government expenditure. That may sound anomalous coming from President Roosevelt, but it was his intent that something of this sort should be found. Marriner Eccles was enthusiastic about it and promoted it and Win developed the idea. The concept was built upon failure—the failure of the old mortgage guaranty companies of the 30's and 20's—but Win, with his keen mind, as Ralph has described, analyzed what the faults had been and prescribed remedies that created a unique social experiment, and a unique institution, that in spite of all the difficulties and erosion that was encountered over the last 40 years still persists and still is capable of doing the job that Win had in mind.

The idea was an organization based on the pooled risk principle but with the risks shared among the insuring agency, the borrower, and the lender, the whole self-supporting. It was a unique idea and it was a great success. Within less than 20 years it had built up reserves capable of withstanding a depression such as the mortgage industry had suffered in the 30's, and it paid back the Government all that it had advanced to get the organization started, plus interest—a masterful achievement in every way.

But Win's achievements went way beyond his ability to invent social institutions. He was a man of warm friendship. I appreciated his advice at every stage in the years that I was with FHA, and profited by his comments on many occasions. I sought him out at Princeton and at Hillside in New York and I worked with him on the financial research project that Ralph helped so nobly to organize.

I would like to just mention one personal anecdote that my wife put me in mind of as we came in. Win was loved by children as well as older people and our small daughter

was a particular favorite. I came home one night from work to find her walking back and fourth in front of our house with a placard hung on her neck. I asked her what it was about and she said she was a picket and that pickets didn't talk. I read the placard which said "This place unfair making me go to bed at eight o'clock. If no change will go to live with Win Riefler."

May 7, 1974.

REMARKS BY ERIC H. BIDDLE

My thoughts of Win Riefler that I'll share with you this morning, take me back. The place was the old State War and Navy Building at 17th and Pennsylvania Avenue, now known as the EOB. The time was late summer in 1942. By pure chance I ran into Win Riefler in the halls and having just arrived from London, congratulated him on his appointment which had just been announced as Minister for Economic Warfare at the Embassy in London. He reported that he was leaving for London the following morning to take up his new post. On the spur of the moment, without any prior thought, I invited him to share by flat at 40 Berkeley Square in London, where he had actually visited me only a few weeks before when he was on a reconnaissance trip prior to taking up his appointment. He accepted promptly.

Our shared living arrangement began then and continued for the whole of the two years that Win was in his London appointment. London in those days was the base of all U.S. Allied and Economic operations in Europe including Eisenhower's headquarters prior to his North African landings, and later SHAEF up until well after D-Day. Economic warfare was a very special case. As many of you know, economic warfare in World War II was concerned with denial to the enemy, worldwide, of critical materials, such matters, that is, as pre-emptive buying of critical materials, of operation and maintenance of the blockade. Selection of bombing targets and others were within the purview of economic warfare as then understood.

Win brought to this assignment his abundant economic wisdom, his rare analytical capacity, his profound politico-economic insight, and with it all his special capacity for developing and maintaining trusted and trusting close relationships with his U.S. and Allied opposite numbers.

There are others here today—we've heard two or three of them—who will talk about Win's superior intellect, his great capacities and accomplishments. Because of experiencing as we did such a close personal relationship in sharing the altogether indefinable aura of wartime London, I prefer to focus for a moment on some of the human qualities of this very exceptional man as revealed to me during that time of stress.

In this two-year period of constant daily contact one could not help but be aware of and be influenced by Win's warmth, his equable disposition, and his penetrating mind. But I was constantly aware for the entire period of two sources of deep distress. One was the natural distress resulting from separation from Dorothy and the family. As to the second, one sensed a muted, almost entirely misspoken, awareness of Win's deep concern with what he knew to be the inescapably sad consequences of the practical application of economic warfare measures, such as the deprivation resulting from the denial of food and medical supplies for beleaguered people.

In my assessment Win's truly remarkable accomplishments during that period are enhanced by recognition of this heavy, hidden toll that I knew he was paying then. And I think perhaps that an appreciation of that toll today may bring into even clearer perspective the quality of this wise and sensitive man, Win Riefler.

May 7, 1974.

REMARKS BY THOMAS B. MCCABE

I know Win would have loved to be here today among his old friends, just as I have enjoyed it because I've seen people I haven't seen for 23 or 24 years.

My friendship with Win Riefler began in 1941, when he was appointed a Class C Director of the Federal Reserve Bank in Philadelphia, and I was Chairman. Subsequently, I met Win during World War II in Washington, where we both were serving, and in London, where he was special economic minister.

When I was appointed Chairman of the Board of Governors of the Federal Reserve System in 1948, I thought immediately of Win as Assistant to the Chairman. I knew of no one else in the country with his competence as an economist, especially in the areas of money and banking. He was then at the School for Advanced Study at Princeton, but after much persuasion he agreed to come to the Federal Reserve. Allan Sproul, former President of the New York Federal Reserve Bank and one of the ablest men in banking, wrote me only recently that Win was one of his oldest friends and one of the most remarkable men who found a career in the System.

The Federal Reserve has experienced many stormy periods in its history, but the years 1949–51 were undoubtedly among the stormiest. The major issue was the Federal Reserve's struggle to regain its statutory independence, especially in its government bond open market operations, against the strong opposition of the Secretary of the Treasury, who was supported by the President. After a long period of travail, we appointed Win in early 1951 and urged the Treasury to appoint Bill Martin to negotiate the basic differences between us and to continue their efforts until they had reached a mutually satisfactory argeement.

At the time I used the expression of putting them in a room together, locking the doors, and keeping the key until they were ready to come out. I might say the Treasury accepted this suggestion with some reluctance because they wanted to start at a lower staff level. These two wonderful men did finally agree, and they came out after a few days—and only a few days—with an agreement which we now refer to as "The Accord", which I think is one of the most outstanding documents and achievements in Federal Reserve history.

Bill Martin and especially Win Riefler, as architects of the Accord, have never been given full credit for their magnificent achievement. If they had not accomplished what they did, the Federal Reserve would be in a very feeble position to combat inflation—the inflation which we had then as well as the inflation in which we are now.

It was fortunate for the country that President Truman appointed Bill Martin to succeed me as Chairman. He and Win, working harmoniously together, established a new high record of excellence in Federal Reserve performance.

I never worked with any one who had a keener and more imaginative mind than Win or knew more about the disciplines in which he had been trained. It was a delight to work with him because he was a genuinely friendly person with complete integrity, a wonderful sense of humor, keen zest for life, and a natural humility that endeared him to his colleagues.

My wife and I were happen to visit Win and Dorothy at their Florida home shortly before Win's death. They were a devoted and inseparable couple, and I will always cherish that visit with those dear and longtime friends as a wonderful time of reminiscence about Washington and good talk about current events.

The words of Shelley in memory of his friend John Keats seem appropriate:

He has outsoared the shadow of our night
He is secure, and now can never mourn
A heart grown cold,
A head grown gray in vain.

He is made one with nature; there is heard
His voice in all her music
He is a presence to be felt and known
In darkness and in light.

He is a portion of that loveliness
Which once he made more lovely
And his works do live after him.

May 7, 1974.

REMARKS BY C. RICHARD YOUNGDAHL

My comments about Win will be made from a slightly different perspective than the previous speaker. I was a junior official, I wouldn't even say officer, in the Federal Reserve at the time that I first came to know him. I knew Win Riefler as a friend, humanitarian, and nature lover, economist, central banker, massive intellect and analytical genius. One could go on and on. I knew him best at the Board in the early 50's, and I saw all of these qualities and many more displayed in abundance.

When Win returned to the System shortly before the Korean War, inflation was the number one economic problem. A huge Federal debt was paralyzing Federal Reserve efforts to curb bank credit and monetary expansion, and the Board had spent a number of fruitless years trying to sell to the country a secondary reserve plan that would have tied up a part of the Federal debt held by the banking system. Win showed a little or no interest in the many variations of these bank reserve plans. He perceived that the problem was far broader; that the Federal debt, when supported in price by the Federal Reserve System, constituted instant liquidity no matter who held it. Since the economy was over-liquid the need was to remove the supports on the Government security market. As we've heard, Win played a key role in this effort and in its ultimate negotiation with the Treasury.

I would like to recall an incident that happened slightly in advance of the time when Win and Chairman Martin got together. It was in the summer of 1950 shortly after the outbreak of the Korean War and just at the time that the Federal Reserve had the temerity to raise the discount rate—I believe it was from 1½ to 1¾ per cent, I forget the exact amount. Immediately the Treasury rushed out and announced refunding terms that were absolutely completely out of accord with the new level of the discount rate, and Win conceived the strategy at the time that made it possible for the Fed to proceed with its policies. And that strategy was to buy up all the maturing securities, and I believe there were some $4 billion or more involved, accept the refunding offering which the Treasury was offering, take it all into the Federal Reserve portfolio, and proceed to sell out of the Federal Reserve portfolio at higher interest rates an equivalent amount of other things.

Now the Treasury accomplished its refunding, but it was also put on notice by that action that the Fed was no longer a permanent captive of Treasury requirements. Win had developed the open market equivalent of the pass or run option. The ultimate development of the Treasury-Federal Reserve accord in early 1951, with Win as a key negotiator, had its seed in this small element of flexibility from Treasury refunding domination that Win was able to devise.

But Win's efforts to remove from the economy the excess liquidity of the Federal debt did not end with the accord. Freedom to stop supporting Treasury security prices did not automatically bring a free market in Government securities. The dealer market itself, long dependent on the Fed for guidance, had to be strengthened and broadened, and this strengthening was slow in develop-

ing. A Board study of the market functioning in which Win, again, played a dominant role revealed a vestigial concern by dealers as to Fed Open Market intentions that kept the market in a crippled and dependent condition. Win's thesis was that open market activity should be confined to the shortest term sector of the market, that part of the market which is the broadest and the nearest to money itself, and in particular the Treasury bills. The market would then be free to find its own relationships without fear of Fed intervention to impose a yield structure of the Fed's own choosing. The "bills usually" doctrine was adopted and followed for years. Even though now repealed in form it is still followed largely in substance. It is hard to imagine what the Government security market and indeed the entire economy would be like today if Win's insights of the early 50's had not so changed the nature of the Fed's Open Market role.

But for me Win was much much more than the brilliant central banker. Win was a kind and considerate person who brought these qualities into every contact with his associates. In open meetings, small groups, and private discussions, he cared about people as individuals. His towering intellect was never used to overpower but rather to lead and to help a person find the answer himself. I remember with pleasure the many hours I was privileged to spend with him in a small morning group where we looked at the problems of the times. The analytical capacity of the Riefler mind was a marvel to observe.

My wife and I treasure the social times we had with Deezie and Win. We remember the home that they fashioned out of two small houses, imaginatively tying them together with a large high-beamed living room that kept the charm of the old and gave utility to the totality. We remember Win the gardener, Win the grass expert, Win the builder, but most dearly we treasure the memory of Win the friend.

May 7, 1974.

REMARKS BY WM. MCCHESNEY MARTIN, JR.

Both Cynthia and I appreciate this opportunity to be here and pay tribute to Win Riefler. I know he would have enjoyed being here and seeing so many of his good friends and associates. You have heard several comments on how fortunate we all have been to know him and what an inspiration he has been to us all in many ways.

Now obviously there is very little I can add to what the previous speakers have said except on a personal basis. It was my good fortune to work with Win Riefler during the time that Tom McCabe has said was the most difficult time in the Federal Reserve's history—and I won't challenge that, although I'm sure it's had many difficult times and will have many more difficult times. But I give Win Riefler full credit for whatever came out of the Treasury-Federal Reserve accord. He was the keystone, and it was his analytical mind and his tolerance and at the same time his unwillingness to compromise the important principle which made that accord possible. I had known him very slightly before that time, and as Assistant Secretary of the Treasury was given the authority to enter into those negotiations, and Win was more than responsive but just like rock when it came to the fundamentals.

I think that this is a trait that we all recognize and we admire when it has along with it an ability to be tolerant of other people and tolerant of lesser minds. And I say in no sense of false modesty that Win Riefler's intellect was infinitely superior to mine, that he had a bigger grasp and a greater grasp of finance and financial activities than I had, and therefore it made it possible for me to enter into my later duties as Chairman of the Federal Reserve, secure in the knowledge that his view of independence of the Federal Reserve was based on independence within the Government but not independence of the Government, that he fully appreciated the importance of money, and sound money, but at the same time he did not want money to be our master, he wanted it to be our servant. And in the sense that he was pursuing sound monetary policies, he was pursuing them with an understanding that unless we had sound money we would be servants and not masters of that money. This is something that all of us, I think, must recognize.

The Federal Reserve System has been blessed with a great many competent people but none more competent or more dedicated than Win Riefler, and he rendered a service which is recognized by this group here today and by many more who could not be here today. And I, as Chairman for a short period of time and working with him, am very glad to testify to the contribution which he made to the work of the Federal Reserve System and to finance in this country.

Cynthia and I had the privilege of traveling with Win on several occasions and everything that's been said here about him is true. He enjoyed a zest for life. I remember on one of our trips from Basle to Le Havre, that we had great pleasure in finding places where we would point out and say "that would be a good place for you to retire, Win," and then we would discuss whether Dorothy would like it or not, and we gradually moved on toward the sea coast.

Obviously, his qualities as a man and his inspirational and intellectual knowledge were very rare and something that meant a great deal to all of us. But above all I think he was a man of faith, a man who believed we could work out our problems and no matter how difficult the situation was he came with a constructive point of view. And I simply close these brief comments of mine, and in behalf of some of my associates on the Federal Reserve Board who worked with him, by saying that within the words of the Apostle Paul he fought the good fight always, and he ran the course and when he came to me and said he wanted to retire, he was doing it with the knowledge that he had run his course to the end as he saw it. And above all he kept the faith. That's a heritage that all of us can be proud of and I think all of us who are here today are better because of the fact that we knew and worked with and had the affection and respect of Win Riefler.

May 7, 1974.

THE TWO-GERMANY POLICY

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. RARICK. Mr. Speaker, the latest diplomatic boondoggle, that is, a second German Embassy, this one of the East German Communist party variety, is now being welcomed to Washington, D.C. We are told that the austere East Germans are presently planning to buy the 59-room Firenze House, one of Washington's most celebrated estates, situated on 22 acres at 4400 Broad Branch Road in Washington as its diplomatic and party headquarters.

Even more interesting than having a two Germany policy indicative of the free world's dedication to preventing reunification of Germany is the suggestion that the entire United States-East German diplomatic détente was tied to consideration of Jewish reparations against East Germany by Nazi victims, estimated by at least one source to total nearly $400 million. Material claims for property confiscated by the Nazis are estimated as high as $4 billion.

All in all, it will be an interesting diplomatic relationship since rigid socialist East Germany has indicated that one of its first diplomatic moves would be to apply for most-favored-nation status to enable its party leader to obtain foreign aid and all of the other one-world goodies from U.S. taxpayers. In other words, it gives the inference of the Nazi victims reparations being a tax shifted onto the U.S. taxpayers. We are yet to hear from the heirs and survivors of the Christian victims of socialism under the Hitler era—especially as to charting U.S. foreign policy.

I ask that related news clippings follow my remarks:

[From the Christian Science Monitor, Sept. 1974]

UNITED STATES AND EAST GERMANY SIGN DIPLOMATIC ACCORD

(By Dana Adams Schmidt)

WASHINGTON.—For the U.S., the ceremony at the State Department Sept. 4, establishing diplomatic relations between Washington and East Germany, marks the end of a long and difficult political road that began with the division of Germany following World War II.

Wednesday, President Ford nominated former Kentucky Sen. John Sherman Cooper (R) to be the U.S. ambassador to East Germany.

One of the final obstacles overcome was East German reluctance to acknowledge the possibility of its obligation to pay compensation to the Jewish and other victims of Nazism. The East Germans argued that they were an entirely new political unit and not a successor state to the Third Reich, and that they should not be held responsible for what the Nazis did.

But an American spokesman said after Wednesday's ceremony that the East Germans had agreed to consider claims which would be raised by the conference on Jewish material claims against Germany. The group, based in New York, has in past years won payment of nearly $820 million by West Germany to Israel and nearly 20 times as much to individuals.

REUNION EFFORTS FADED

For years after World War II, reunification of Germany was a cardinal objective of U.S. foreign policy, as it was of Britain and France, and even of the Soviet Union. But advocacy of reunification was for the most part taken by observers as an example of "double speak."

The Russians, British, and French continued to fear the potential power in central Europe of a reunited Germany, and many of the Americans, while less concerned about German power, agreed that reunification was unlikely to be realized in the foreseeable future.

Among West Germans sincere reunification enthusiasts were to be found mainly on the extreme political right. Other West Germans were aware that East Germany—always the poorer part of Germany, stripped by the Russians of its factories, organized now on doctrinaire socialist lines—would be a drag on a reunited state.

As for the East Germans, the Communists wanted total and final separation—and the others had no voice anyhow.

And so the signatures of Assistant Secretary Arthur A. Hartman and Dr. Herbert Suess, head of the East German Foreign Ministry's legal division, are a recognition of reality.

There are, however, some American reservations about recognition which reflect the reservations the West Germans wrote into their own agreement with East Germany two years ago. The West Germans described the

German Federal Republic and the Democratic Republic of Germany as two states in one nation. In other words they clung to the concept—some would say the myth—of ultimate reunification.

Accordingly it is the American position reiterated in the documents signed at the State Department that the question of ultimate reunification is one for the Germans to work out by themselves.

In addition, the United States pointed out it will continue to deal with the Soviet Union (which has 20 divisions in East Germany) on all questions affecting Berlin.

If the East Germans interfere with traffic on the road through East Germany to Berlin (a recurrence which caused the U.S. to delay the recognition ceremony originally scheduled for July 29) the United States will, as on the most recent occasion, make its protest to the Soviet Union. A quadripartite agreement of 1971 continues to govern both East and West Berlin.

East Germany, about the size of Tennessee, with a population of 16 million (excluding East Berlin), remains mostly isolated and rigidly socialist. Most of its foreign trade is conducted with the Soviet Union.

East Germany has built up its standard of living from the low point reached after the Russians removed not only the technological equipment of the country but many of its technologists. It experienced no Marshall Plan to boost its economy.

And some East Germans boast that the real "economic miracle" of recovery took place not in West but in East Germany. They are the most prosperous among the East Europeans, though not yet as affluent as the West Germans.

[From the New York Times, Sept. 5, 1974]

UNITED STATES AND EAST GERMANY OPEN TIES AND NAME ENVOYS

(By David Binder)

WASHINGTON, September 4.—The United States established formal diplomatic relations with East Germany today, the last major Western country to do so since the Communist country emerged from relative international isolation three years ago.

Both Governments named ambassadors—John Sherman Cooper, the former Republican Senator from Kentucky, for the United States and Rolf Sieber, a 44-year-old professor of economics, for East Germany.

However, opening of permanent embassies in East Berlin and Washington will take four months or more because neither nation has found adequate facilities.

East Germany was founded 25 years ago and began to receive recognition by Western nations after a series of East-West agreements culminating in the 1972 Berlin Treaty.

France and Britain moved with dispatch to open diplomatic relations with East Germany at that time and other Western nations followed. The United States lagged, partly out of deference to its ally, West Germany, and partly as an expression of reserve toward a government that had caused it trouble in Berlin crises of the past.

The number of countries recognizing East Germany changed rapidly after East Germany acceded to the four-power pact on Berlin late in 1971. Before that the East Germans had ambassadors representing 30 countries. Now it has diplomatic representatives from 104 countries.

Recognition by the United States remained a prestige goal for the East German leadership. This was reflected not only in the terms of agreement, viewed as generous by the United States, but also in the East German appreciation of today's modest recognition at the State Department.

Herbert Süss,, the East German Foreign Ministry official who negotiated the relations with Arthur A. Hartman, Assistant Secretary for European Affairs, was wreathed in smiles at the noontime signing.

He said "hello," "thank you," and "good-by" in English to the crowd of newsmen and diplomats gathered on the seventh floor. A television team filmed the five-minute event for transmission by satellite to East Berlin.

Neither Mr. Süss nor Mr. Hartman made formal remarks. But a joint communiqué was issued saying the two had conducted negotiations "in a cordial atmosphere" and had agreed to talk on claims and financial issues, consular relations and opening of trade and cultural exchanges.

The two signed a three-page résumé of their negotiations in which the two sides agreed to pursue talks on these matters.

Later a State Department official explained to newsmen on a background basis that the document dealt mostly with the question of claims by United States citizens for restitution as victims of Nazism and claims for property that belonged to Americans in what was formerly the Third Reich.

The official said that after initial reluctance East Germany had acknowledged the United States view on claims of Nazism victims, that "a refusal even to consider it as a problem wouldn't wash" with the American people.

He explained that the bulk of United States claims by individuals would be established by the Federal Trade Commission and then handled by a private organization, the Conference on Jewish Material Claims.

The State Department will reserve the right to review East German action on claims, the official said, adding: "What they do will have an effect on everything." He said the individual claims would undoubtedly be settled with a lump sum rather than a parceling out in terms of individual cases.

The Süss-Hartmann document provides that the two Governments will negotiate trade, consular and cultural relations one year from today.

It also notes that the United States has again acquired title to the pre-war American Embassy property on Pariser Platz, northeast of the Brandenburg Gate. But the new American Embassy will be established in the center of East Berlin.

East German officials said they did not know when Ambassador Sieber will take up duties here. The son of working-class parents, Mr. Sieber was schooled in economics in Moscow and East Berlin and became a full professor at the College of Economics in Berlin-Karlshorst in 1969. He is married and has two children.

The East Germans said that while Mr. Sieber had no diplomatic experience he had traveled in India, Belgium and Mauretania.

[From the Detroit News, Sept. 8, 1974]

A NEW TIE WITH EAST GERMANY

In establishing formal diplomatic relations with East Germany, the U.S. government is acknowledging a simple fact of life: The Communist government is in control of East Germany whether we like it or not.

Whether U.S. recognition will make the East Germans any easier to deal with over the major issue that has caused trouble in the past—the status of Berlin—is problematical. At the moment, it suits the East German government to play a friendly role. But like a leopard it cannot hide its spots.

One measure of the willingness of the East Germans to improve their relations with this country will be their handling of the claims of U.S. citizens as victims of nazism and for property that belonged to Americans in what was formerly the Third Reich. The West German government long since has paid its debts for such claims.

The U.S. State Department quite properly is taking a cautious view but also making it clear that East Germany's attitude on this problem "will have an effect on everything." Past experience indicates East Germany will tend to be miserly on payments of claims to any foreigners.

In John Sherman Cooper, who served 20 years as a U.S. senator from Kentucky and became one of the Senate's foreign policy experts, President Ford has named a well qualified ambassador to East Germany.

But it will be instructive to see whether East Germany's ambassador to the United States, Rolf Sieber, an economics professor, will serve as a professional diplomat or whether, like some other Communist representatives, he will preside over an embassy more interested in spying than in doing business with this country.

President Ford is continuing Mr. Nixon's policy of moving from confrontation to negotiation with the Communist nations of the world but we hope he is still approaching detente coolly and cautiously. That means judging the Communist nations such as East Germany on the basis of their actions rather than just their words.

[From the Washington Post, July 20, 1974]

EAST GERMANS SEEKING TO BUY FIRENZE HOUSE FOR AN EMBASSY

(By Martin Weil)

The East German government, anticipating the opening of diplomatic relations with the United States, is negotiating to buy Firenze House, one of Washington's most celebrated estates, to serve as an embassy.

"It is no secret that we are interested and also are in the negotiations" to buy the 59-room house on 22 acres at 4400 Broad Branch Rd. NW, said a spokesman for the East German government. "But the contract is not yet signed."

William Stanley Jr., attorney for the owners, who include the present resident, Mrs. John A. Logan, said that a proposal has not yet been submitted, but that he expects that one may come next week. An East German delegation is in Washington holding talks with the State Department, and Hanns Gerd Protsch, a spokesman for the delegation, said that diplomatic relations possibly could be established as soon as next week.

If his government does purchase Firenze House, Protsch said, it would be used as a residence for the East German ambassador.

Other uses for the property, such as construction of embassy offices, or of housing for other embassy personnel, would depend on zoning regulations and procedures, he added.

Protsch declined to discuss the amount of money his government expects to offer for the 47-year-old Tudor-style mansion and its grounds, abutting Rock Creek Park.

The land and improvements were assessed at $532,929 in the assessment year that ended June 30, 1972, according to Lusk's assessment directory.

B'NAI B'RITH TESTIFIES IN SUPPORT OF DISASTER INSURANCE AID

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, yesterday, the Housing Subcommittee began hearings on a most important bill, H.R. 4772, the National Catastrophic Insurance Act, introduced by my good friend DAN FLOOD.

The legislation grew out of the disasters caused in my State of Pennsylvania by Hurricane Agnes.

There has been ample suggestion that Federal money could produce far more relief for disaster victims than the services delivered by the Government to the

Wilkes-Barre and Scranton area, which most suffered from Agnes' rage.

A group active in supporting the disaster insurance concept is the B'nai B'rith.

I would like to include in the RECORD at this time the testimony of Ms. Norma Gilbert, B'nai B'rith legislative representative.

STATEMENT BY NORMA GILBERT

Mr. Chairman and distinguished Members of this Committee, my name is Norma Gilbert and I am representing B'nai B'rith and B'nai B'rith Women, the largest Jewish service organization in the United States, with additional affiliates in several foreign countries. I serve as Director of Public Affairs for B'nai B'rith Women and as legislative liaison for the B'nai B'rith Disaster Relief Committee, and it is in the latter capacity that I appear before you today. Let me say at this time that it is an honor to be here this morning, and to be able to present our views for your deliberations.

I wish at this time, with your permission, to briefly trace for you the interest and involvement of B'nai B'rith and B'nai B'rith Women in a national comprehensive disaster insurance program:

Both historically and traditionally, as you are no doubt aware, our organization has demonstrated its interest in the well-being and welfare of all citizens, regardless of color or creed. Through the activities of our various agencies and through continuing programs in our districts across the United States, we have attempted to serve the needs of the nation's youth, the elderly, minorities, the underprivileged, and any other group which may be in need. Indeed, though we seek to perpetuate the Jewish tradition and culture through educational programs and youth activities, I wish to underscore for your attention the fact that our services have never been confined to those of the Jewish faith alone. We serve all of the human family, with a sense of dedication to the betterment of society and to the basic rights of all citizens; and in the century-and-a-quarter of B'nai B'rith's existence, our name has been identified with public service and the preservation of individual rights.

In the field of disaster relief, we have undertaken various projects in past years to assist the victims of natural disasters. But the most comprehensive and intense program we have ever undertaken came in the wake of the havoc wrought by Hurricane Agnes in 1972—the worst natural disaster this nation has ever experienced. Although most all of the Eastern states were affected by this hurricane, the most catastrophic effects seemed to be experienced by the populace of Wilkes-Barre, Pennsylvania—where an entire valley was ravaged, and homes, businesses and institutions were wiped out or damaged irrevocably.

B'nai B'rith concentrated its efforts in this community, with four kinds of assistance—

(1) A former staff member of the Small Business Administration was employed to assist the people in processing individual applications for SBA loans.

(2) Families were helped regarding counseling, relocation, school attendance for children, and numerous other interim problems.

(3) B'nai B'rith Youth physically volunteered to help dig out the unbelievable mud and residual slime from the houses.

(4) A national fund-raising campaign was organized to raise moneys for emergency relief for families and institutions affected by the disaster.

The experience of Agnes pointed up to us the inadequacy of present federal programs to compensate disaster victims, including the federal flood insurance program, which only a handful of the victims held.

B'nai B'rith then turned its eyes to other catastrophes—tornadoes in the Mid and Southwest—floods in the Mississippi Valley—earthquakes in California. It was apparent that no area of the United States was invulnerable to natural disaster.

It also became apparent that some form of nationally mandated catastrophic insurance was needed to protect Americans against all forms of natural disasters—a program which would be within reach of the property owner's pocketbook, yet have the capacity to provide full coverage for losses—one which would protect all potential victims of any future disasters against economic ruin.

We then undertook an informal survey among various Members of Congress to ascertain if there was support for such a concept—and found there indeed *was*.

In December 1972, the B'nai B'rith Disaster Relief Committee held an all-day meeting in Washington, where presentations were given by Members of the House and Senate, the Association of Insurance Commissioners, and the Federal Insurance Administrator. Included also were representatives of the private insurance industry.

This meeting produced a resolution, stating the principles which B'nai B'rith and B'nai B'rith Women would wish to see included in any disaster insurance legislation to which we would lend our support. Shortly thereafter, this resolution was passed by the B'nai B'rith Board of Governors—and I attach its text at the conclusion of this statement.

After hearing several legislative proposals, the Committee then decided that HR 4772 and S 1144, introduced by Congressman Daniel Flood and Senator Richard Schweiker, respectively, came closest to embodying the principles set forth in our resolution.

We then proceeded, as indicated in our resolution, to spearhead the formation of a national coalition of organizations to mobilize their individual membership in support of mandatory, all-risk disaster insurance legislation—while reserving the right to offer suggestions for changes to the authors of the bills. Ms. Scholtz has just described for you the history and structure of that coalition.

Ladies and Gentlemen, B'nai B'rith feels that HR 4772, which is under your consideration this morning, is the answer to the plight of thousands of yet unknown victims of future catastrophes. It would cost the taxpayer little, it would be easy to administer without creating a new federal bureaucracy, and it would provide the broadest possible coverage with far greater compensation than the present system. It also utilizes the cooperative efforts of the federal government and the private insurance industry, and would turn the program over to the privates whenever they can equal the program. We respectfully urge your approval of this important legislation.

B'NAI B'RITH POSITION ON DISASTER INSURANCE

B'nai B'rith has been involved in disaster relief efforts since its founding in 1843. However, its interest in the concept of Catastrophic All Risk Disaster Insurance was stimulated by its experiences during the disasters wrought by Hurricane Agnes in June 1972.

The position of B'nai B'rith, as adopted by its Board of Governors, is as follows:

B'nai B'rith, aware of the devastation wrought in recent months through Hurricane Agnes, and concerned as it always has been with the best interests of humanity, urges the Congress of the United States to adopt legislation which would provide adequate and effective relief to victims of natural disasters, including Hurricane Agnes, and provide insurance opportunities for all future potential victims of natural disasters. Some of the guiding principles of such legislation should include the following:

1. Retroactivity, so as to include the victims of Hurricane Agnes.

2. All Risk Comprehensive Disaster Insurance.

3. Insurance coverage for both property owners and rentors.

4. Land use reform provisions.

B'nai B'rith will lend its support to that legislation which will best reflect the foregoing principles.

B'nai B'rith authorizes a continuation of a special ad hoc committee as a subcommittee of its Permanent Disaster Relief Committee under the aegis of the B'nai B'rith Commission on Community and Veterans Services, and charges it with the task of implementing a program of action to involve the entire family of B'nai B'rith, B'nai B'rith Women and B'nai B'rith youth. It also authorizes the committee to adopt specific strategy related to legislation, in keeping with the general principles outlined. The committee is urged and hereby authorized to spearhead the formation of a coalition of national organizations and citizens groups to mobilize support for such legislation as will conform to the principles set forth herein.

THE BATTLE AGAINST MULTIPLE SCLEROSIS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. HARRINGTON. Mr. Speaker, the Multiple Sclerosis Service Organization of Massachusetts, and its founder and director, Jean Pantano, are providing a valuable public service to the people of Massachusetts in moving the fight against this dreadful disease forward. A piece recently appeared in the news notes of the organization which, in a way deserving the attention of all my colleagues, outlines the battle now underway to cure this disease, to find new approaches to dealing with it, and to put its crippling effects behind us once and for all.

It seems to me that this article deserves the attention of every Member of the House, and I would like to insert it in the CONGRESSIONAL RECORD at this time.

The text follows:

ARTICLE BY JEAN PANTANO

By the time you read this month's MSSO NEWS Steve's and Tylla's 2015-mile epic journey for MS will be over. They plan to cross the finish line at Baxter State Park, Maine, on October 12th. . . . In contrast to the glorious weather we've enjoyed in New England, Steve and Tylla plodded along the Appalachian Trail through eighteen days of continuous rain during the earlier part of their walk. On the heels of the torrential downpours, the weary walkers trudged for hundreds of miles through drought-like conditions where brooks and streams which dot the Appalachian Trail were bone dry.

Meanwhile, back home in Massachusetts Steve's Mom and Dad, the Massachusetts Jaycees under the direction of Joe Cohen, and Mary Kasdan of the Newburyport News, joined with officers, members and friends of the Multiple Sclerosis Service Organization to publicize Steve's walk by seeking donations and pledges.

From the moment Steve and Tylla departed Logan Airport in June for Springer Mountain, Georgia, it's been an arduous undertaking for the walkers. It was equally arduous for those of us who were determined that their efforts would result in raising a substantial amount of money to support MS research.

Ever mindful of its responsibility to use contributions made to the organization for patient related services, an MSSO auction

was held on June 8th to help defray Steve's Walk-for-MS related expenses. Steve's parents also assumed a substantial portion of his expenses, which was extremely helpful.

Hundreds of publicity releases documenting Steve's progress along the Appalachian Trail were mailed to newspapers, radio and TV outlets, which resulted in pledges received from such far away places as California and Florida.

Throughout the month of August the MSSO of New York and its chapters conducted tag days for Steve's walk. On August 25th members of the MSSO of New York met Steve at Pawling. They drove Steve and Tylla to the Brooklyn-based headquarters where the walkers received a warm and gracious welcome from MSSO President Tessie Rauscher, the Westchester Chapter President John W. Chase, County Supervisor George C. Cunningham, Mayor of Pawling John Lappas, and State Senator Jeremiah Bloom. Senator Bloom commented, "He is a delightful young man, and Tylla is charming. Neither could stop eating!!"... The following day Steve and Tylla were returned to the same spot in Pawling.

Simultaneously, on August 25 a big event was held on Boston Common. MSers from all over greater Boston and suburbs were on hand to sign up sponsors for Steve's Walk from 11 a.m. to 6 p.m. At 1 p.m. Parks and Recreation Commissioner Anthony Forgione officially dedicated the billboard-type sign showing Steve's route throughout the 13 States, including designated stops. The event was well covered by the Boston Globe, Herald American, and Channels 4 and 7. We invite everyone to visit The Common and see this extraordinary sign, which originally was slated to cost $1150 had it been made by a professional sign firm in Boston, but which actually cost less than $75!! Kudos to Dante Nigro for his expert carpentry work on the sign, and to artists Caroline Baum, Phil Pantano and Holly Ann Wood, whose combined carpentry and artistic lettering efforts produced a magnificent sign, one which might be the envy of any Madison Avenue advertising exec.... Just another vivid example of the MSSO's enterprising ability to draw on its own resources to produce the desired results with a minimum of funds expended.

The day on The Common was a monumental success. Over $1000 was raised in pledges and contributions. Entertainment was provided by Arnie Pelletier of the See-Saw Quartet, and he was accompanied by "Miss Helen", a sparkling personality and an accomplished pianist, who performed at the Old Howard many moons ago! Bill Child was an able MSSO member assistant who played beautifully during "Miss Helen's" intermissions.

The Beverly Jaycees held a car wash at Monty's Mobil Service Station in North Beverly. The Jaycees-members obliged thirty-six satisfied customers with super car washes, with a net result of $240.50 for Steve's Walk for MS.

On September 3rd Joe Cohen, State Chairman for MS for the Massachusetts Jaycees, accompanied Steve's Mom and Dad and Carl Marraffa to Williamstown where Steve was picked up and taken to Marlboro. There Steve met several Jaycees Chapter presidents, including State External Director John Kuczynski, and the president of the Franklin Jaycees. President Chuck Sulkala presented Steve with a list of pledges totalling $600 from Massachusetts Jaycees, "with more to come" according to Joe Cohen. Every spare moment has been devoted to promoting pledges for Steve's Walk for MS Research.

The layover in Marlboro afforded Steve and Tylla the opportunity to have a long chat with his folks and other MSSO members. Tylla had a checkup with a Worcester veterinarian, who marvelled that the dog had walked over 1500 miles on that lame paw. Steve questioned the advisability of having Tylla continue to Baxter Park. The vet said, "If she's come this far in this condition there's no reason she can't continue to the finish line, barring any other unforeseen circumstances to alter the situation.". . . Upon learning the Walk would benefit Multiple Sclerosis research, the vet wrote off the entire bill as "paid"!

Those of us who have had a chance to see the "boots that did all the walking" were aghast. They were thoroughly soaked, and the troublesome sole once again became "unglued" though Steve assured us he had "cemented it together somewhere in Pennsylvania"!

That Steve keeps a low profile is probably the understatement of the year. There were thirteen of us seated at the table at the Marlboro Holiday Inn, and each was anxious to ask the hundreds of questions that plagued us through his long and often dangerous journey. Steve had just returned from the motel room where he and his folks were staying for the night. Someone asked, "During those long hot days, how did you manage to bathe?" Steve replied, "I just did." The conversation also touched on the herculean efforts of so many to publicize his Walk, which in large part failed to receive the public attention it deserved.

The pledges made to date have been far short of the expected goal. However, Steve was assured that the figure was conservative because there were hundreds of "sponsor-getters" who are holding onto their sponsor sheets until October 8th when he and Tylla cross the finish line at Baxter State Park. Then they would collect the money and send it to the MSSO. The magnificent response from the Massachusetts Jaycees, who are still going strong, and the active participation of the MSSO in New York, who are combining their efforts with the MSSO of Massachusetts, give us reason to hope that we will reach our goal.

Mary Ann Cohen asked Steve, "Would you do it again?" Without equivocation he answered, "Yes".

Now it is up to you and everyone with whom you come in contact. Tell them about this courageous young man with the indomitable spirit. We make this plea for a meaningful contribution in recognition of his selfless efforts to benefit MS sufferers.

Steve's walk has finally come to an end. Only you can make that end mark the beginning of something better for the victims of Multiple Sclerosis.

Yes—over the years enormous amounts of money have been spent (we are told!) on MS research. Yet, we want to be told in laymen's language specifically what advances have been made in the field of MS research in 20 years.

Our aim is not to discredit the programs presently pursued in seeking the cause and cure of this disease, but to open up new avenues of approach which have heretofore been either ignored or untried. At the start of Steve's Walk for MS a goal of a quarter of a million dollars was set. Hopefully, the money raised from this effort will enable us to obtain innovative and fruitful research programs that bypass the detours of wasteful mismanagement, duplication of effort, and professional hypocrisy which inhibit and frustrate the desired goals.

Six years ago the MSSO "bit the bullet" and initiated programs which stressed the need for patient services for MSers and their families. This led to the formation of other patient service oriented groups throughout the Commonwealth with the approval and direction of the Boston chapter of the National Multiple Sclerosis Society. In fact, a paid patient care coordinator was hired, and new patient care programs were instituted.

However laudable, it is not enough to dwell on what our small efforts have wrought in the way of patient services. Six years ago we dared to draw attention to the failure of existing organizations to meet the needs of MS sufferers and our efforts brought a measure of comfort to their daily lives. Now we are venturing into the area of research which will bring the ultimate hope of tomorrow—the hope of finding the cause and cure of this progressive neurological disorder. Just possibly, the dedicated men on the MS research peer review committee under Dr. Levine's direction will provide some light and wisdom in relation to their baffling disease. Should we fail to reach the desired goal in funds, we can at least take satisfaction in the knowledge that we dared to challenge the aura of untouchable respectability that surrounds the name of research. We are not damning research programs per se,—but we are demanding a greater degree of accountability from those charged with the awesome task of reducing human suffering caused by disease.

The field of medical research is not sacrosanct. An article on cancer in children by Robert A. Becker which was reprinted in the Boston Globe used a quote from another article in Esquire by Philip Nobile. Nobile was quoting "a cancer research observer", who remarked sadly, "If I came up with a cure for cancer tomorrow, half the people at the National Cancer Institute would commit suicide and the other half would be out chasing me with a machine gun."

The jealousy is so great. . . . The unhappy commentary is probably applicable to most medical research endeavors at the various national institutes. . . . As we approach our bicentennial celebration, are Americans really as "free" as we try to believe? The tradition in this country of a devoted and responsible approach to the alleviation of suffering appears to have undergone some suffering itself—in the form of erosion. How are we to have faith in our huge public and private health organizations when we find them mouthing virtually the same goals and platitudes today (while seeking our support) as was true in the 1950's?—Americans can do better—will we? . . .

Steve's exhaustive personal contribution paves the way for the MSSO to enter a new arena. By this means we can combine our desire to fill the needs of the MSer today through patient services, as well as strive to achieve the ultimate hope of tomorrow through research.

As our good friends and neighbors in the MSSO of New York said so succinctly in their own newsletter, "Every mile Steve and faithful Tylla walk will be rewarding only if we have your financial support in this cause to help humanity the world over."

Please—if you have not already done so—send your contribution today to:

Multiple Sclerosis Service Organization of Massachusetts, Inc., 77 Topsfield Road, Wenham, Mass. 01984.

I want to sponsor Steve's Appalachian Trail Walk for MS.

I pledge (check one):

¼ cent per mi—$5.00.
½ cent per mi—$10.00.
1 cent per mi—$20.00.
5 cents per mi.—$100.00.
10 cents per mi.—$200.00.

to be paid when Steve completes his journey for research.

Name _____
Street _____
City_____ State_____ Zip_____
Tax Exempt

THE MIDDLE EAST CRISIS AND THE SUITABILITY OF U.S. POLICY-MAKERS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1974

Mr. ASHBROOK. Mr. Speaker, the October 7 issue of Newsweek carried a

discussion of options open to the United States to cope with the oil crisis resulting from the high oil prices in the Middle East. Queried were a number of governmental officials, military strategists, and experts on the Mideast whose "most talked-about options" included the use of psychological warfare, covert operations, and military intervention. Why covert operations and military intervention against the Arab nations should be suggested while we increase trade with the world's greatest and most dedicated aggressor, the Soviet Union, is a matter that demands a close look at those who are formulating such foreign policy.

At the moment, the most disturbing aspect of possible options concerns the moral connotations of some suggested covert operations. One suggestion in the Newsweek article stated:

> Agents in the pay of the West could borrow a tactic from the Palestinian guerrillas and set up terror squads to stalk traveling Arab oil barons.

Another possibility stated that—

> Assassinations—accompanied by blunt hints to other Arab leaders that they could be next—might be carried out.

It is indeed ironic and irresponsible that such considerations should be even mentioned by supposedly responsible sources here in the United States, especially in the light of our experiences in this country with various forms of terrorism. One need only recall the recent episode involving the Symbionese Liberation Army, Patricia Hearst and the SLA's shootout with the police; how the Eldridge Cleaver faction of the Black Panther Party spawned urban terrorist groups notorious for murders of police officers and many armed robberies; or the use of violence by the Weathermen, a faction of the Students for a Democratic Society. Suffice it to remember the bombing of the U.S. Capitol, the terror bombings of other Government and business installations, the innumerable cases of violence on college campuses and other terrorist activities, and the revulsion of the American people to such actions.

A recently issued staff study by the House Committee on Internal Security entitled "Terrorism" presents an excellent record of the present scope of terroristic groups and activities both here and abroad. To advocate exporting such terrorism abroad while decrying it at home is damaging to our current policy efforts in the Mideast area and, first of all, morally irresponsible.

It is common knowledge that the only things in surplus in the United States today are crises. Our problem is what priority we give to solving them and how we avoid a total collapse of our economic and political life by taking immediate action where it is needed, the Mideast oil crisis being a good and topical example. How equitably this particular crisis will be resolved depends in part on the integrity, suitability and expertise of our own officials.

As I have pointed out in the past, the concept of security includes both loyalty and suitability. It is precisely because of questions of suitability that I expended much time and effort on the case of Helmut Sonnenfeldt whose nomination as Under Secretary of the Treasury was withdrawn last year when a number of witnesses alleged at Senate hearings that he had in the past leaked classified information while in the State Department. While Mr. Sonnenfeldt was later confirmed by the Senate for the position of Counselor of the State Department, my inquiries of the State Department and the preceding administration at the White House in pursuit of pertinent information necessary to the House Committee on Internal Security now investigating this case have remained unresolved. Conflicting testimony under oath before the Senate suggesting the possibility of perjury demonstrates the seriousness of this particular case.

Obviously, anyone who is the center of so much controversy involving his personal conduct should not be entrusted with handling issues of extraordinary security implications or of paramount national interest. Among these today the most critical is the explosive Middle East situation, both from the political and military standpoints. Compounding the urgency of this crisis is the roaring worldwide inflation because of the increase in oil costs. For these reasons, the American public and the governments of India, Iraq, Iran, and Saudi Arabia would find it reassuring if Helmut Sonnenfeldt were relieved of all duties and responsibilities affecting the Middle East until allegations concerning him have been resolved.

In addition, it goes without saying that any officials in the executive branch advocating the types of terrorist activities described in the Newsweek article are irresponsible and should also be removed.

My concern on this issue arises not solely because of partisan, political or ideological views. Mr. George Meany, president of the AFL-CIO, in his statement before the Senate Foreign Relations Committee on October 1 of this year, put the issue in proper perspective:

> In fact, detente is simply a new tactic, a new means toward the old end—the worldwide advance and ultimate victory of Communism.

I agree that the greatest threat to the freedom of all mankind continues to be the Soviet Union, and this is not an issue of being conservative or liberal in domestic politics but a fact of international life.

Most of all, it is in the interest of the free world that the differences between Israel and the Arab world be settled on the principles of genuine freedom and mutual understanding which, of course, requires the survival of Israel as well as the security of the Arab nations.

I feel certain that the personnel actions I have recommended will do much to create a climate producing the kind of results we all desire.

Excerpts from article follow:

EXCERPTS FROM NEWSWEEK ARTICLE OF OCTOBER 7, 1974

COVERT OPERATIONS

The last time the Central Intelligence Agency is known to have mounted a full-scale covert operation in the Middle East—to oust Iran's anti-American Premier Mohammed Mossedegh in 1953 — it worked. Whether similar action to oust balky oil sheiks would work today is doubtful. Even if it did, it would perilously escalate the battle for oil and might create grave new problems for the U.S.

But it is possible.

Agents in the pay of the West could borrow a tactic from the Palestinian guerrillas and set up terror squads to stalk traveling Arab oil barons. "It would be an attempt to deny to the sheiks the pleasures their money can buy," said one former CIA agent. "Flights overseas, foreign residences, visits to Nice—all that would be out." Assassinations—accompanied by blunt hints to other Arab leaders that they could be next—might be carried out. Or undercover operatives could attempt to stir up riots and protests within a country. "We could give the sheiks a sharp lesson by getting the radicals in the country to cause trouble," said an ex-CIA man. "The rationale behind this would be to come back and say: "See what could happen'."

"Dirty tricks": A risky possibility

The peril is that what could happen would probably harm the U.S. as much as the sheiks. The leaders who replaced those now in power would undoubtedly be at least as nationalistic as their predecessors and equally anxious to use the oil weapon against the West. The Soviet Union, even if it did not threaten a direct confrontation with the U.S., would be in a position to expand its influence in the Arab world. And once the news leaked out of what the U.S. had done, the public uproar would be deafening.

Thus, such "dirty tricks" probably would take second place to more discreet moves—such as trying to exploit the existing differences between nations such as Iran and Saudi Arabia in the hope of shattering the cartel's unity. "I believe that the cartel will break up on inherent internal conflict," says one high U.S official. "But I also believe we should do everything reasonable in our power to make sure it does."

MILITARY INTERVENTION

Historically, depriving a nation of access to vital natural resources has been considered a *casus belli*. And as one top U.S. official noted last week, "If the oil-producing nations drive the world into depression in their greed, the West might be forced into a desperate military adventure. But it would be a nightmare—trying to pump oil for decades in the midst of what would amount to guerrilla war and probable worldwide terror." Beyond any doubt, then, an armed attack would have such enormous and frightening ramifications that only the imminent breakdown of Western society could spur Washington to launch it.

To be meaningful, a military intervention would have to be directed against Saudi Arabia, the largest oil producer, and it would need to be both quick and massive. In addition to seizing the major oil fields, troops would have to secure the loading facilities at Ras Tanura 125 miles away on the Persian Gulf and control the narrow Strait of Hormuz through which tankers have to pass. The U.S. would need to mass enough airpower to repel a counterattack by Arab air forces and perhaps even land in neighboring sheikdoms to block them from reinforcing the Saudis. It would have to be done with enough speed to take the oil fields before they could be blown up. And the initial attack would have to be carried out by the 82nd Airborne Division—the only U.S. force trained for parachute assaults—plus perhaps whatever allied (and Israeli) units that could be persuaded to join up.