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Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Tuesday, July 22, 1975*

The House met at 10 o'clock a.m.

Father Robert Piatkowski, St. Aloysius Church, Newark, N.J., offered the following prayer:

We come before Thee, O God, the Holy Spirit, seeking the gift of Thy wisdom. Come unto us and be with us; vouchsafe to enter our hearts; teach us what we are to do and what we should say; show us what we must accomplish, in order that, with Thy help, we may be able to please Thee in all things. Be Thou alone the author and the finisher of our judgments, who alone with God the Father and His Son does possess a glorious name. 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.

CALL OF THE HOUSE

Mr. CONLAN. 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. 414]

Adams	Harsha	Pepper
Andrews, N.C.	Hébert	Reuss
Ashley	Heckler, Mass.	Riegle
Barrett	Hinshaw	Risenhoover
Bedell	Jarman	Ryan
Bell	Jones, Ala.	St Germain
Boggs	Kastenmeier	Shuster
Breckinridge	Litton	Skubitz
Buchanan	McCollister	Steelman
Burton, John	Macdonald	Steiger, Wis.
Clausen, Don H.	Matsunaga	Stephens
	Mazzoli	Teague
Diggs	Mink	Thone
du Pont	Moorhead, Pa.	Udall
Esch	Nichols	Ullman
Fulton	Patman, Tex.	

The SPEAKER. On this rollcall 388 Members have recorded their presence by electronic device, a quorum.

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

VICTORY FOR DEMOCRATIC BASEBALL TEAM

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

Mr. DAVIS. Mr. Speaker, I take the floor today with great pride to announce that for the first time in many years the Democratic Party, not only victorious in November, is finally victorious in July.

Last night in Baltimore under the leadership of our two most valuable players, the gentleman from Ohio (Mr. MOTTL) and the gentleman from Illinois (Mr. RUSSO), in one of the most exciting games ever played in Baltimore, we showed the coach, the gentleman from Massachusetts (Mr. CONTE) that King Caucus is as powerful as King Cotton in 1975.

HOUSE OFFICE BUILDING SOLAR ENERGY BILL

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

Mr. PICKLE. Mr. Speaker, as a demonstration we had out here on the south veranda illustrated just a few days ago, the most important factor in solar energy today is action.

The technology is here. It is no longer a Flash Gordon fantasy.

The interest is there.

We just need to use solar energy—use it, and use it some more.

I am proposing that the House of Representatives do its part in furthering the use of solar energy. I am proposing that the House do its part not only through legislation such as the solar bills we passed last year and the funds for solar research approved this year. I am proposing the House of Representatives do its part by attempting to use solar energy right here.

I am introducing along with Mr. CHARLES ROSE and several other esteemed colleagues, a bill which calls for the Capitol Architect to conduct or contract for a study to see if it is feasible to use solar energy in the three House office buildings.

The legislation is quite simple—a small, first step. But I think it is clear that it is an important one.

The people are looking to the Congress more and more for leadership. By making the effort ourselves to use new sources of energy we can be encouraging others to do likewise.

And, if the idea proves feasible, we will also be saving the taxpayers operating expenses on these buildings for decades to come.

In the near future, I will send out a "dear colleague" on this legislation and ask for the Members' support.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

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

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

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON INTERNATIONAL OPERATIONS OF THE COMMITTEE ON INTERNATIONAL RELATIONS TO SIT DURING HOUSE SESSION TODAY

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the Subcommittee on International Operations of the Committee on International Relations may be permitted to sit this afternoon while the House is in session.

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

There was no objection.

SOLAR ENERGY

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

Mr. ROSE. Mr. Speaker, the legislation we are proposing today will further the use of solar energy and hopefully save the taxpayers money for many years hence. But that is not all. It will also provide valuable insights into a field of solar energy about which we presently know very little.

Most of the demonstrations we have all seen center around solar energy installed in new buildings. Really very little is known about placing solar energy into existing structures.

If we wait for solar energy to be used

only in new buildings, it will be a long, long time before this valuable, inexhaustible energy supply has much impact in this country. By placing solar energy only in new buildings we will be supplying less than 5 percent of our heating and cooling needs with solar energy by the year 2000.

If we can by our actions encourage placing of solar energy on existing buildings, however, clearly we can speed up the use and impact of this energy source.

Joining Mr. PICKLE and myself on this legislation are Mr. DICKINSON, of Alabama; Mr. TEAGUE, of Texas; Mr. MCCORMACK, of Washington; Mr. MOSHER, of Ohio; Mr. DINGELL, of Michigan; and Mr. RICHMOND, of New York.

I hope that many others of you will join us in the near future in this House effort to further solar energy use.

PERMISSION FOR SUBCOMMITTEE ON HOSPITALS OF THE COMMITTEE ON VETERANS' AFFAIRS TO SIT DURING 5-MINUTE RULE TODAY AND TOMORROW

Mr. SATTERFIELD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Hospitals of the Committee on Veterans' Affairs be permitted to sit this afternoon and tomorrow afternoon, July 23, during the 5-minute rule.

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

There was no objection.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT DURING 5-MINUTE RULE TODAY

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit today during the 5-minute rule.

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

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON PUBLIC LANDS OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT DURING HOUSE SESSION TODAY AND TOMORROW

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that the Subcommittee on Public Lands of the Committee on Interior and Insular Affairs be permitted to sit today and tomorrow, July 23, during consideration of legislation on the floor of the House.

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

There was no objection.

CONGRATULATIONS TO DEMOCRATIC BASEBALL TEAM

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

Mr. CONTE. Mr. Speaker, I take this opportunity to congratulate the Democratic baseball team and their managers, the gentleman from Florida (Mr. CHAPPELL) and the gentleman from South Carolina (Mr. DAVIS) for the fine job they did and the sportsmanlike way they played last night.

I also want to pay tribute to my team. I had one of the finest teams in the 14 years I have been coaching the Republican team.

Every time the Republicans won in years past, I got up to say this would be a prediction of what would happen in November. But then, every other November, every 2 years, we went off and we lost the election.

So we finally lost a ball game. Actually there remains some question about this. For Republicans, this game was more like a Chicago election—the Democrats stole it from us. We were supposed to play six innings, but as soon as the Democrats got ahead after three innings they all ran off the field.

Mr. Speaker, though we lost last night, Republicans are still Hill champs in "political handball." Moreover, last night was an omen of what is going to happen next year in November. Yes, we lost a ball game, but we are going to win the next election.

VETERANS DISABILITY COMPENSATION AND SURVIVORS BENEFITS ACT OF 1975

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7767) to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation, and for other purposes, with a Senate amendment thereto, and consider the Senate amendment.

The Clerk read the title of the bill.

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

There was no objection.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert: That this Act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1975".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$32" in subsection (a) and inserting in lieu thereof "$36";

(2) by striking out "$59" in subsection (b) and inserting in lieu thereof "$66";

(3) by striking out "$89" in subsection (c) and inserting in lieu thereof "$100";

(4) by striking out "$122" in subsection (d) and inserting in lieu thereof "$137";

(5) by striking out "$171" in subsection (e) and inserting in lieu thereof "$192";

(6) by striking out "$211" in subsection (f) and inserting in lieu thereof "$241";

(7) by striking out "$250" in subsection (g) and inserting in lieu thereof "$285";

(8) by striking out "$289" in subsection (h) and inserting in lieu thereof "$329";

(9) by striking out "$325" in subsection (i) and inserting in lieu thereof "$371";

(10) by striking out "$584" in subsection (j) and inserting in lieu thereof "$266";

(11) by striking out "$52" and "$727" and "$1,017" in subsection (k) and inserting in lieu thereof "$58" and "$814" and "$1,159", respectively;

(12) by striking out "$727" in subsection (l) and inserting in lieu thereof "$829";

(13) by striking out "$800" in subsection (m) and inserting in lieu thereof "$912";

(14) by striking out "$909" in subsection (n) and inserting in lieu thereof "$1,036";

(15) by striking out "$1,017" in subsections (o) and (p) and inserting in lieu thereof "$1,159";

(16) by striking out "$437" in subsection (r) and inserting in lieu thereof "$498"; and

(17) by striking out "$654" in subsection (s) and inserting in lieu thereof "$746".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out "$36" in subparagraph (A) and inserting in lieu thereof "$40";

(2) by striking out "$61" in subparagraph (B) and inserting in lieu thereof "$68";

(3) by striking out "$77" in subparagraph (C) and inserting in lieu thereof "$86";

(4) by striking out "$95" and in "$17" in subparagraph (D) and inserting in lieu thereof "$106" and "$19", respectively;

(5) by striking out "$24" in subparagraph (E) and inserting in lieu thereof "$27";

(6) by striking out "$41" in subparagraph (F) and inserting in lieu thereof "$46";

(7) by striking out "$61" and "$17" in subparagraph (G) and inserting in lieu thereof "$68" and "$19", respectively;

(8) by striking out "$29" in subparagraph (H) and inserting in lieu thereof "$32"; and

(9) by striking out "$55" in subparagraph (I) and inserting in lieu thereof "$63".

SEC. 103. Section 362 of title 38, United States Code, is amended by striking out "$150" and inserting in lieu thereof "$175".

SEC. 104. Section 3010 of title 38, United States Code, is amended—

(1) by redesignating paragraph (2) of subsection (b) as paragraph (3); and

(2) by inserting immediately after paragraph (1) thereof the following new paragraph:

"(2) The effective date of an award of increased compensation shall be the earliest date as of which it is ascertainable that an increase in disability had occurred, if application is received within one year from such date.".

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a widow, based on the pay grade of her deceased husband, at monthly rates set forth in the following table:

"Pay grade	Monthly rate
E-1	$245
E-2	252
E-3	260
E-4	275
E-5	283
E-6	290
E-7	303
E-8	320
E-9	[1]335
W-1	309
W-2	321
W-3	332
W-4	350
O-1	309
O-2	320
O-3	343
O-4	363

O–5	399
O–6	449
O–7	487
O–8	532
O–9	572
O–10	[2] 626

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $360.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $671.

"(b) If there is a widow with one or more children below the age of eighteen of a deceased veterans, the dependency and indemnity compensation paid monthly to the widow shall be increased by $30 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to a widow shall be increased by $73 if she is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

SEC. 202. Section 413 of title 38, United States Code, is amended to read as follows:

"Whenever there is no widow of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) One child, $123.

"(2) Two children, $178.

"(3) Three children, $229.

"(4) More than three children, $229, plus $46 for each child in excess of three.".

SEC. 203. (a) Subsection (a) of section 414 of title 38, United States Code, is amended by striking out "$64" and inserting in lieu thereof "$73".

(b) Subsection (b) of section 414 of such title is amended by striking out "$108" and inserting in lieu thereof "$123".

(c) Subsection (c) of section 414 of such title is amended by striking out "$55" and inserting in lieu thereof "$63".

SEC. 204. Section 410(a) of title 38, United States Code, is amended to read as follows:

"(a) The Administrator shall pay dependency and indemnity compensation to the widow, children, and parents of any veteran who dies after December 31, 1956, and who—

"(1) dies from a service-connected or compensable disability; or

"(2) was at the time of his death in receipt of or entitled to receive compensation for a service-connected disability total and permanent in nature, which disability was so rated for not less than one year prior to such death.

The standards and criteria for determining whether or not a disability is service-connected shall be those applicable under chapter 11 of this title.".

TITLE III—EFFECTIVE DATE

SEC. 301. The provisions of this Act shall become effective on July 1, 1975.

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

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

Mr. HAMMERSCHMIDT. Mr. Speaker, reserving the right to object, and I reserve the right to object although I do not plan to object, but I take this time so that the distinguished chairman of the full Committee on Veterans Affairs may explain the amendment he will be offering.

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

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

Mr. ROBERTS. Mr. Speaker, the bill H.R. 7767, passed the House on June 16, 1975, by a vote of 389 to 0. On June 23 the Senate passed the bill with an amendment substituting the text of its compensation bill, S. 1597.

The House-passed bill basically did three things: It provided increases for service-disabled veterans rated 10 to 50 percent in amounts ranging from 6.3 to 8.2 percent. The rate of increase for veterans rated 60 percent disabled or more was 10 percent. The additional amounts for dependents provided by 38 U.S.C. 315 in cases of veterans with service-connected disabilities of at least 50 percent were increased approximately 10 percent, and it provided a 10 percent increase in dependency and indemnity compensation—DIC—for widows and children.

The bill also provided that an eligible member may convert his servicemen's group life insurance to veterans' group life insurance or a commercial private policy within 120 days from his date of discharge or release from service.

The annual cost of the increases would be approximately $394.8 million. The first concurrent resolution adopted by the House recommended an increase of 8 percent for both compensation and pension for a combined first year cost of $451 million.

The bill as passed by the Senate would: First, provide a 12-percent increase in the rates of disability compensation for those veterans rated 50-percent disabled or less and a 14-percent increase for more severely disabled veterans rate 60 percent to totally and permanently disabled; second, provide a 12-percent increase in the rates of additional compensation for dependents of veterans whose disability is rated 50 percent or more; third, provide an increase in the annual clothing allowance of $25—from $150 to $175; fourth, provide that the effective date of an award of increased compensation shall be the earliest date it is ascertainable that an increase in disability occurred if the application is received within a year of such date; fifth, provide a 14-percent increase in the rates payable for dependency and indemnity compensation for widows and children; and sixth, provide that the survivors of a veteran who was rated totally disabled and permanently service-connected disabled at the time of death would be automatically entitled to dependency and indemnity compensation.

The annual cost of the Senate amendments would be about $584.8 million.

Mr. Speaker, the proposed House amendment to the Senate amendment offers a reasonable compromise. It would:

First, provide a 10-percent increase in the rates of disability compensation for those veterans rated 50 percent disabled or less and a 12-percent increase for more severely disabled veterans rated 60 percent to totally and permanently disabled.

Second, increase the rates for widows and children by 12 percent.

Third. Provide a $25 increase in the clothing allowance for a veteran who because of his compensable disability wears or uses a prosthetic or orthopedic appliance which tends to wear out his clothing. The annual allowance would be increased from $150 to $175.

Fourth. Make the effective date of all rate increases August 1, 1975, to assure a continuing consistency with increases in living costs experienced since rates were last raised.

Fifth. Accept the Senate amendment to provide that the effective date of an award of increased compensation shall be the earliest date it is ascertainable that an increase in disability occurred if the application is received within a year of such date. Today the law provides that increases in compensation payments because of increased disablement will be made from the date of an application for increase. The Senate amendment would permit retroactive payment of increased compensation from the date of increase in disability up to 1 year when that date is ascertainable. This amendment is consistent with a similar amendment governing awards of pension enacted last year.

Sixth. Require the Veterans' Administration to conduct a followup study of claims for dependency and indemnity compensation relating to veterans as defined in section 101(2) of title 38, who at time of death during the 6-year period September 1, 1975, to March 1, 1976, were receiving disability compensation from the Veterans' Administration based upon a rating total and permanent in nature.

Many Members will recall that after consideration in the last Congress the proposal to presume a service-connected cause of death, even though the cause of death was shown to be from disease or injury not associated with service, was not adopted. However, in the Veterans' Disability Compensation and Survivors' Benefits Act of 1974 there was included the requirement that the Administrator of Veterans' Affairs conduct a study of the claims for dependency and indemnity compensation relating to certain totally disabled veterans who died within 6 months prior to the date of enactment of that act.

That study was completed and the subject matter considered in hearings held in connection with H.R. 7767. As a result of these hearings, your committee felt that if properly applied, current law and revised administration policy would result in according the survivors' benefit in the type claim that has been the concern of our Members. The Veterans' Administration recognized that fact and has published new guidelines to its adjudicating offices to assure that liberal and compassionate application of the generous laws now governing determinations of service-connection for death benefits will be applied. Your committee feels that if properly administered, the new guidelines will achieve equity. Should the followup study show that desired results are

not being achieved, appropriate legislative action will be considered by the Committee on Veterans' Affairs.

H.R. 7767 as previously passed the House would have provided that an eligible member may convert his servicemen's group life insurance to veterans' group life insurance or a commercial private policy within 120 days from his date of discharge or release from service. This provision is not in the proposed House amendment. The Senate side indicated an interest in adding two other provisions that would have amended present law governing the insurance program and we were reluctant to do so without hearings. Therefore, we agreed to take the provision out and consider it along with other insurance measures later in the session.

The annual cost of the proposed House amendment would be approximately $490.7 million.

In summary, Mr. Speaker, the proposed House amendment provides adequate cost-of-living increases for our service-connected disabled veterans and their widows and children. At the same time, it attempts to stay within the budget in the first concurrent resolution adopted by the House earlier this year.

I urge adoption of the House amendment.

Mr. HAMMERSCHMIDT. Mr. Speaker, I wish to express my strong support of the amendment being offered by the distinguished gentleman from Texas, the chairman of the Committee on Veterans' Affairs. I also wish to commend the excellent leadership of our distinguished subcommittee chairman, Mr. MONTGOMERY, and of the ranking minority member Mr. WYLIE.

This amendment results from informal negotiation with the Veterans' Affairs Committee of the other body. In my judgment, this amendment authorizing an increase of 12 percent in the monthly rates of compensation payable to those with more serious disabilities, and a 10-percent increase in the monthly rates for those who are disabled at 50 percent or less, represents an effective compromise that is commensurate with the increased cost of living as reflected by the Consumer Price Index.

In addition, the amendment authorizes a 10-percent increase in the allowance payable on behalf of dependents of those veterans who are 50 percent or more disabled. It also authorizes a 12-percent increase in the monthly dependency and indemnity compensation payments for widows and children of veterans who died of service connected conditions.

The clothing allowance of $150 annually, payable to veterans who use a prosthetic or orthopedic appliance, which causes undue wear and tear upon their clothing, is increased to $175 annually under the terms of the amendment.

The cost of the differences in the two versions has been halved in the amendment before the House. It represents a most effective compromise, which will authorize an equitable increase in monthly compensation payments and at the same time, be acceptable to the other body.

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

Mr. HAMMERSCHMIDT. Further reserving the right to object, I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Speaker, I support the gentleman's motion and the amendment to which it refers. The effect of this amendment will be to increase the rates of compensation for service-connected disabled veterans in amounts ranging from 10 percent to 12 percent for those with the most serious disability. Additionally, the amendment authorizes a 10-percent increase in payments to those veterans who are entitled to an allowance for dependents. It also provides a 12 percent across-the-board increase to widows and children of veterans who died of service-connected causes.

This amendment, Mr. Speaker, if approved by the other body, will provide a cost-of-living increase in monthly payments for more than 2.2 million disabled veterans and 280,000 survivors of service-connected deceased veterans. No group of citizens in our Nation are more deserving of a cost-of-living increase than those who have given so much of themselves and their loved ones to our Nation's survival. I support the amendment, and urge that it be approved.

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

Mr. HAMMERSCHMIDT. Under the reservation of objection, I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, as the ranking minority member of the Compensation, Pension, and Insurance Subcommittee of the Committee on Veterans' Affairs, I am pleased to support the amendment contained in the motion offered by the gentleman from Texas, our distinguished chairman.

This amendment, Mr. Speaker, represents a negotiated compromise with the other body that will permit the Nation's disabled veterans, certain dependents, and the survivors of service connected deceased veterans to receive a cost-of-living adjustment in their monthly benefits. It is my understanding that the cost of living has risen approximately 11 percent since the last adjustment in these monthly payments. The amendment before the House will authorize increases that are commensurate with the increased cost of living.

Mr. Speaker, the men who were disabled while in the service of our Nation have always merited and received the highest consideration by the Congress. If we are to continue the priority consideration that we have always given the Nation's disabled veterans, it is essential that this cost-of-living increase be approved.

I support the gentleman's amendments, and hope that the other body will act expeditiously so that it may receive the President's prompt consideration and approval.

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

Mr. HAMMERSCHMIDT. Under the reservation of objection, I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Speaker, the American war veteran has traditionally been considered a special person, a loyal citizen, who by honorable service in times of warfare, has earned special benefits and entitlements.

As early as 200 years ago, the Continental Congress recognized the Nation's debt to those who responded to the call to arms and its own responsibility to make good on that debt. As a result, certain benefit programs were established to meet the needs of soldiers, veterans, and their dependents.

Mr. Speaker, the legislation before us today has grown directly out of that tradition. Today's veterans, their families, and their survivors bear the brunt of our current economic problems. The Veterans Disability Compensation and Survivors Benefit Act would go a long way toward easing that burden.

Although I accepted the version of the bill we passed earlier this month, I am pleased that the Senate has improved the measure considerably.

Our bill provided compensation increases ranging from 6.3 to 8.2 percent for veterans with disability ratings of 50 percent or more. Those rated at 60 percent or more would have received a 10 percent increase, as would dependents of veterans with 50 percent or more disability and survivors of those who died of service-connected injuries.

Our colleagues in the Senate have been more generous. Their version would raise compensation payments 12 percent for those rated at 50 percent or less and 14 percent for those rated at 60 percent or more. It also authorizes a 12 percent increase for dependents and a 14 percent raise in dependency and indemnity compensation payments for widows and children. The annual clothing allowance for veterans using prosthetic or orthopedic devices would go up $25 bringing the total annual allowance to $175.

Mr. Speaker, I recognize the fact that the Senate version will be more costly and I strongly support efforts to contain our spending. But I do not believe that veterans benefits are the proper place to trim the budget. These payments are not luxuries. They constitute the sole support of many others.

Therefore, I urge my colleagues to pass this much needed bill without further delay and speed its benefits on to those who so rightly deserve them.

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

The SPEAKER. Is there objection to the request of the gentleman from Texas to dispense with further reading of the Senate amendment?

There was no objection.

MOTION OFFERED BY MR. ROBERTS

Mr. ROBERTS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROBERTS moves that the House concur in the Senate amendment with an amendment as follows: In lieu of matter proposed to be inserted by the Senate amendment, insert the following:

That this Act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1975".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$32" in subsection (a) and inserting in lieu thereof "$35";

(2) by striking out "$59" in subsection (b) and inserting in lieu thereof "$65";

(3) by striking out "$89" in subsection (c) and inserting in lieu thereof "$98";

(4) by striking out "$122" in subsection (d) and inserting in lieu thereof "$134";

(5) by striking out "$171" in subsection (e) and inserting in lieu thereof "$188";

(6) by striking out "$211" in subsection (f) and inserting in lieu thereof "$236";

(7) by striking out "$250" in subsection (g) and inserting in lieu thereof "$280";

(8) by striking out "$289" in subsection (h) and inserting in lieu thereof "$324";

(9) by striking out "$325" in subsection (i) and inserting in lieu thereof "$364";

(10) by striking out "$584" in subsection (j) and inserting in lieu thereof "$655";

(11) by striking out "$727" and "$1,017" in subsection (k) and inserting in lieu thereof "$814" and "$1,139", respectivey;

(12) by striking out "$727" in subsection (l) and inserting in lieu thereof "$814";

(13) by striking out "$800" in subsection (m) and inserting in lieu thereof "$896";

(14) by striking out "$909" in subsection (n) and inserting in lieu thereof "$1,018";

(15) by striking out "$1,017" in subsections (o) and (p) and inserting in lieu thereof "$1,139";

(16) by striking out "$437" in subsection (r) and inserting in lieu thereof "$489"; and

(17) by striking out "$654" in subsection (s) and inserting in lieu thereof "$732".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85-857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315(1) of title 38, United States Code, is amended—

(1) by striking out "$36" in subparagraph (A) and inserting in lieu thereof "$40";

(2) by striking out "$61" in subparagraph (B) and inserting in lieu thereof "$67";

(3) by striking out "$77" in subparagraph (C) and inserting in lieu thereof "$85";

(4) by striking out "$95" and "$17" in subparagraph (D) and inserting in lieu thereof "$105" and "$19", respectively;

(5) by striking out "$24" in subparagraph (E) and inserting in lieu thereof "$26";

(6) by striking out "$41" in subparagraph (F) and inserting in lieu thereof "$45";

(7) by striking out "$61" and "$17" in subparagraph (G) and inserting in lieu thereof "$67" and "$19", respectively;

(8) by striking out "$29" in subparagraph (H) and inserting in lieu thereof "$32"; and

(9) by striking out "$55" in subparagraph (I) and inserting in lieu thereof "$61".

SEC. 103. Section 362 of title 38, United States Code, is amended by striking out "$150" and inserting in lieu thereof "$175".

SEC. 104. Section 3010 of title 38, United States Code, is amended—

(1) by redesignating paragraph (2) of subsection (b) as paragraph (3); and

(2) by inserting immediately after paragraph (1) thereof the following new paragraph:

"(2) The effective date of an award of increased compensation shall be the earliest date as of which it is ascertainable that an increase in disability had occurred, if application is received within one year from such date.".

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a widow, based on the pay grade of her deceased husband, at monthly rates set forth in the following table:

"Pay grade	Monthly rate
E-1	$241
E-2	248
E-3	255
E-4	270
E-5	278
E-6	284
E-7	298
E-8	315
E-9	[1] 329
W-1	304
W-2	316
W-3	326
W-4	344
O-1	304
O-2	315
O-3	337
O-4	356
O-5	392
O-6	441
O-7	478
O-8	523
O-9	562
O-10	[2] 615

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $354.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $660.

"(b) If there is a widow with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the widow shall be increased by $29 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to a widow shall be increased by $72 if she is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

SEC. 202. Section 413 of title 38, United States Code, is amended to read as follows:

"Whenever there is no widow of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) One child, $121.

"(2) Two children, $175.

"(3) Three children, $225.

"(4) More than three children, $225, plus $45 for each child in excess of three.".

SEC. 203. (a) (Subsection (a) of section 414 of title 38, United States Code, is amended by striking out "$64" and inserting in lieu thereof "$72".

(b) Subsection (b) of section 414 of such title is amended by striking out "$108" and inserting in lieu thereof "$121".

(c) Subsection (c) of section 414 of such title is amended by striking out "$55" and inserting in lieu thereof "$62".

SEC. 204. (a) The Administrator of Veterans' Affairs shall make a detailed study of claims for dependency and indemnity compensation relating to veterans, as defined in section 101(2), title 38, United States Code, who at time of death during the six-month period September 1, 1975, to March 1, 1976, were receiving disability compensating from the Veterans' Administration based upon a rating total and permanent in nature.

(b) The report of such study shall include (1) the number of the described cases; (2) the number of cases in which the specified benefit was denied; (3) an analysis of the reasons for each such denial; (4) an analysis of any difficulty which may have been encountered by the claimant in attempting to establish that the death of the veteran concerned was connected with his or her military, naval, or air service in the Armed Forces of the United States; (5) data regarding the current financial status of the widow, widower, children, and parents in each case of denial; and (6) an analysis of whether there has been a significant increase in the use of discretionary authority consistent with revised Veterans' Administration program guide instructions issued March 27, 1975 concerning rating practices and procedures.

(c) The report together with such comments and recommendations as the Administrator deems appropriate shall be submitted to the Speaker of the House and the President of the Senate not later than October 1, 1976.

TITLE III—EFFECTIVE DATE

SEC. 301. The provisions of this Act shall become effective August 1, 1975.

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

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

There was no objection.

The motion was agreed to.

A motion to reconsider was laid on the table.

INTERNATIONAL CONVENTION FOR THE CONSERVATION OF ATLANTIC TUNAS

Mr. LEGGETT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5522) an act to give effect to the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro, May 14, 1966, by the United States of America and other countries, 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 3, after line 7, insert:

(10) The term "State" includes each of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

Page 3, strike out all after line 8 over to and including line 15 on page 4 and insert:

SEC. 3. (a) The United States shall be represented by not more than three Commissioners who shall serve as delegates of the United States on the Commission, and who may serve on the Council and Panels of the Commission as provided for in the Convention. Such Commissioners shall be appointed by and serve at the pleasure of the President. Not more than one such Commission shall be a salaried employee of any State or political subdivision thereof, or the Federal Government. The Commissioners shall be entitled to select a Chairman and to adopt

such rules of procedure as they find necessary.

(b) The Secretary of State, in consultation with the Secretary may designate from time to time and for periods of time deemed appropriate Alternate United States Commissioners to the Commission. Any Alternate United States Commissioner may exercise at any meeting of the Commission, Council, any Panel, or the advisory committee established pursuant to section 4 of this Act, all powers and duties of a United States Commissioner in the absence of any Commissioner appointed pursuant to subsection (a) of this section for whatever reason. The number of such Alternate United States Commissioners that may be designated for any such meeting shall be limited to the number of United States Commissioners appointed pursuant to subsection (a) of this section who will not be present at such meeting.

(c) The United States Commissioners or Alternate Commissioners, although officers of the United States while so serving, shall receive no compensation for their services as such Commissioners or Alternate Commissioners.

Page 8, lines 22 and 23, strike out "or the Commonwealth of Puerto Rico".

Page 9, lines 3 and 4, strike out "or the Commonwealth of Puerto Rico".

Page 13, line 18, strike out "of Commerce".

Page 21, line 23, strike out "over" and insert: "in".

Page 21, line 24, strike out "waters" and insert: "sea".

Page 21, line 24, strike out "that State" and insert: "the United States".

Page 21, strike out all after line 24 over to and including line 21 on page 22 and insert:

(2) In the event a State does not request a formal hearing and after notice by the Secretary, the regulations promulgated pursuant to this Act to implement recommendations of the Commission shall apply within the boundaries of any State bordering on any Convention area if the Secretary determines that any such State—

(A) has not, within a resonable period of time after the promulgation of regulations pursuant to this Act, enacted laws or promulgated regulations which implement any such recommendation of the Commission within the boundaries of such State; or

(B) has enacted laws or promulgated regulations which (i) are less restrictive than the regulations promulgated pursuant to this Act, or (ii) are not effectively enforced. If a State requests the opportunity for an agency hearing on the record, the Secretary shall not apply regulations promulgated pursuant to this Act within that State's boundaries unless the hearing record supports a determination under paragraph (A) or (B). Such regulations shall apply until the Secretary determines that the State is effectively enforcing within its boundaries measures which are not less restrictive than such regulations.

The SPEAKER. Is there objection to the request of the gentleman from California (Mr. LEGGETT.)

Mr. LEGGETT. Mr. Speaker, briefly explained, H.R. 5522 would implement the International Convention for the Conservation of the Atlantic Tunas which came into force for the United States in 1969. The United States is 1 of 14 Nations that are signatory to this Convention. H.R. 5522 passed the House under suspension of the rules by voice vote just last month, on June 16.

Mr. Speaker, the Senate made nine amendments to the bill, all of which are technical in nature, except for two.

The first substantive amendment, amendment No. 2, would rewrite section 3 of the bill. As H.R. 5522 passed the House, section 3 of the bill would provide for the appointment of three commissioners by the President to serve at his pleasure as the U.S. delegates on the Commission. They would serve without compensation. Of the three commissioners, one would be required to be an official of the Department of Commerce and each of the other two would be selected from individuals residing in a coastal State who are knowledgeable in the principles of commercial tuna fishing or sport tuna fishing, or both, neither of which could be Federal or State employees. In addition, section 3 of the bill would authorize the Secretary of State to designate alternate commissioners to serve when the regular commissioners could not be present at a meeting of the Commission, council, panel, or advisory committee.

As rewritten by the Senate, of the three commissioners to be appointed by the President, not more than one of such commissioners could be a salaried employee of the Federal or State Government, and the other two commissioners could be selected by the President from the general public.

Mr. Speaker, although not required to do so, I would like to make it clear that the Committee on Merchant Marine and Fisheries would expect the President to appoint commissioners from the general public who are knowledgeable in the principles of commercial or sport tuna fishing, or both, as provided in the House version of the bill, and as provided in the Senate report on the bill. Also, the committee would expect the President to appoint an official of the Department of Commerce as the salaried employee of the Federal or State Government authorized to be appointed under the Senate version of the bill, even though not required to do so. This would be in accordance with the House version of the bill. In addition, the Senate versions of the bill would authorize the commissioners to select their own chairman, whereas in the past, the chairman of the commissioners has been the official representing the Department of Commerce.

Mr. Speaker, in accepting the Senate amendment to this section of the bill, I would like to make it clear that the Committee on Merchant Marine and Fisheries intends to watch closely the performance of the commissioners in carrying out their official duties under the act, in order to make sure that the tuna and tuna-like fishes of the Atlantic Ocean that are covered by this convention are given the attention and protection to which they are entitled.

Mr. Speaker, the second substantive amendment, amendment No. 9, merely rewrites paragraph (2) of section 9(d) of the bill, to provide that the Secretary of Commerce would be authorized to promulgate regulations to implement recommendations of the Commission that would be applicable within the boundaries of any State bordering on any convention area whenever the State concerned does not request a formal hearing on the record after being notified of the plans to promulgate such regulations. The House version of the bill would require an agency hearing on the record irrespective of whether the State concerned requested a hearing.

Mr. Speaker, this is an acceptable amendment, and should make the legislation more workable and at the same time result in a savings to the U.S. Government since an agency hearing on the record would not be held unless requested by the State concerned.

Mr. Speaker, I recommend that the House concur in the Senate amendments.

Mr. Speaker, for the benefit of my colleagues, I might announce that after the passage of this bill, as amended by the Senate, that I will ask unanimous consent that the concurrent resolution I have at the desk be brought up for immediate consideration. The resolution would merely correct technical errors in the House engrossed bill.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENROLLMENT OF H.R. 5522

Mr. LEGGETT. Mr. Speaker, I call up the concurrent resolution (H. Con. Res. 349) and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 349

Resolved by the House of Representatives (the Senate concurring), That the Clerk of the House of Representatives, in the enrollment of the bill (H.R. 5522) to give effect to the International Convention for the Conservation of Atlantic Tunas, signed at Rio de Janeiro May 14, 1966, by the United States of America and other countries, and for other purposes, is authorized and directed to make the following corrections in the House engrossed bill:

(1) On page 4, line 24, insert a comma after "Commission".

(2) On page 7, line 1, strike out "becomming" and insert in lieu thereof "becoming".

(3) On page 9, line 3, strike out "of" the second time it appears.

(4) On page 9, lines 5 and 6, strike out "and of the Commonwealth of Puerto Rico".

(5) On page 11, line 6, strike out "of" the first time it appears.

(6) On page 13, line 14, strike out the comma after "form".

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION AND APPOINTMENT AS MEMBER OF THE SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER laid before the House the following resignation from the Select Committee on Intelligence:

JULY 22, 1975.

Mr. SPEAKER: I respectfully submit my resignation as a member of the House Committee on Intelligence.

DON EDWARDS.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. Pursuant to the provisions of House Resolution 591, 94th Congress, the Chair appoints as a member of the Select Committee on Intelligence the gentleman from Florida, Mr. LEHMAN, to fill the existing vacancy thereon.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announced that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated, and after those motions to be determined by nonrecord votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

RESTORING POSTHUMOUSLY FULL RIGHTS OF CITIZENSHIP TO GEN. R. E. LEE

Mr. EILBERG. Mr. Speaker, I move to suspend the rules and pass the Senate Joint Resolution (S.J. Res. 23) to restore posthumously full rights of citizenship to General R. E. Lee.

The Clerk read as follows:

S.J. RES. 23

Whereas this entire Nation has long recognized the outstanding virtues of courage, patriotism, and selfless devotion to duty of General R. E. Lee, and has recognized the contribution of General Lee in healing the wounds of the War Between the States, and

Whereas, in order to further the goal of reunion of this country, General Lee, on June 13, 1865, applied to the President for amnesty and pardon and restoration of his rights as a citizen, and

Whereas this request was favorably endorsed by General Ulysses S. Grant on June 16, 1865, and

Whereas, General Lee's full citizenship was not restored to him subsequent to his request of June 13, 1865, for the reason that no accompanying oath of allegiance was submitted, and

Whereas, on October 12, 1870, General Lee died, still denied the right to hold any office and other rights of citizenship, and

Whereas a recent discovery has revealed that General Lee did in fact on October 2, 1865, swear allegiance to the Constitution of the United States and to the Union, and

Whereas it appears that General Lee thus fulfilled all of the legal as well as moral requirements incumbent upon him for restoration of his citizenship: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3 of amendment 14 of the United States Constitution, the legal disabilities placed upon General Lee as a result of his service as General of the Army of Northern Virginia are removed, and that General R. E. Lee is posthumously restored to the full rights of citizenship, effective June 13, 1865.

The SPEAKER. Is a second demanded?

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

PARLIAMENTARY INQUIRY

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

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. CONYERS. Mr. Speaker, is the gentleman who is demanding a second opposed to the Senate joint resolution?

The SPEAKER. The Chair will make the inquiry. Is the gentleman from New York (Mr. FISH) opposed to the Senate joint resolution?

Mr. FISH. I am not, Mr. Speaker.

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

The SPEAKER. Is the gentleman opposed to the Senate joint resolution?

Mr. CONYERS. Yes, Mr. Speaker, I am.

The SPEAKER. The gentleman qualifies.

Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Pennsylvania (Mr. EILBERG) will be recognized for 20 minutes, and the gentleman form Michigan (Mr. CONYERS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. EILBERG).

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

Mr. Speaker, the purpose of this joint resolution, Senate Joint Resolution 23, is to restore posthumously full rights of citizenship to Gen. Robert E. Lee.

Gen. Robert E. Lee is a well known and respected military figure and a person whose dedication to duty has never been questioned. This great leader has earned himself a prominent position not only in the annals of American history but also in the hearts and minds of all patriotic Americans.

As his ancestors before him served their country, he, too, served both the United States and his native State of Virginia.

He possessed the courage to make the most difficult decisions and he had the fortitude to abide by his decisions. He faced defeat with dignity and he sought to regain his full rights of citizenship with humility.

In approving this resolution we will attempt to comply with requests made by General Lee to the President on June 13, 1865. On that date, General Lee formally applied for full restoration of his rights and his application was personally approved by General Grant and forwarded to the President through the Secretary of War. However, he did not realize his application was to be accompanied by an oath of allegiance, and when this fact became known to General Lee, he executed a notarized oath of allegiance on October 2, 1865. His application was never acted upon by the President since the oath of allegiance was lost and was only discovered in the National Archives in 1970.

As a college president, Robert E. Lee dedicated himself to teaching young men to learn from the past and to live as united Americans.

The virtues exemplified by Gen. Robert E. Lee could be an example for all, as they have been an inspiration to students of American history for many years.

Restoring full citizenship rights to General Lee is a bipartisan effort which serves as a symbol of how we as Americans once divided can learn from our historic past and once again reunite when it is in our Nation's interest. In a time when the United States faces complex problems an act such as this helps to remind us of our heritage and the struggles which our Nation has endured in its 200 year history. It is only fitting and proper that the Congress, as we approach the Bicentennial of the founding of the United States of America, remove the last tarnish of the memory of General Lee and retroactively restores his full rights of citizenship.

This is indeed unique legislation and is one of the few times that Congress has sought to invoke its constitutional powers under section 3 of the 14th amendment to the U.S. Constitution.

The first sentence of that section relates to the disability for holding public office and provides that "No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a Member of Congress, or an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof."

The Constitution further provides that this disability can only be removed by congressional action.

The restoration of full citizenship rights to General Lee is a measure which is neither Republican nor Democratic, conservative or liberal, but hopefully is an issue on which we can display a bipartisan and historical unity. I urge my colleagues to support this meritorious legislation.

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

Mr. Speaker, it is with some reluctance that I take this time to speak on this matter, one which might more appropriately be considered as a sentimental, symbolic gesture; as Bicentennial fluff, or perhaps as legislation that clears up some important historical business that has been neglected by previous Congresses and by previous Presidents.

So it was in this frame of mind that I initiated some research on this subject. Even though it is not yet complete, enough questions have been raised that I have no other alternative but to take the well at this time.

The first issue raised by my research was the circumstances and date of the "discovery" of General Lee's oath of allegiance presumedly undertaken on October 2, 1865, and thereafter lost, never reaching President Andrew Johnson. In reading the committee report to my surprise I found that no one from the National Archives came before the Committee on the Judiciary or before the appropriate committee in the other body to attest to the "discovery" of this oath.

Nothing in the report indicates who discovered this missing oath and when, or where it had resided all these years.

A member of my staff yesterday visited the Archives. He spoke with the man who located the oath and was advised that it had come to his attention not in 1970 as stated in the committee report but in 1965. You may be interested to know that this "discovery" was, in truth, made by a capable and conscientious Archives clerk, Mr. Donald King, who brought it to the attention of his superior, Mr. Elmer Parker, in 1970. Two archivists further advised my staff member that the Lee oath was known to be on public display as far back as the 1930's. It is the position of the Archives that the oath has always been in the Government's custody, had never been lost, was first stored with other amnesty documents in the State Department and during World War II transferred to the National Archives where it presently resides. This romantic notion of the lost oath may ultimately do a great disservice to those who sincerely wish to preserve the memory of General Lee. Obviously some of the statements regarding the oath's "discovery" in Senate Joint Resolution 23 are inaccurate.

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

Mr. CONYERS. I am delighted to yield to the distinguished gentleman from Virginia.

Mr. BUTLER. Of course, we are not in a position to question the gentleman's information, but in order that the record may be clear, with respect to the archivist who wrote this article and called it to the attention of the committee, his letter is a part of the report. It appears on page 4 and is by Mr. Elmer Oris Parker. The gentleman is familiar with that; is he not?

Mr. CONYERS. I read it very carefully. That is precisely what caused me to go to the Archives.

Mr. BUTLER. I am pleased to know about this report about the earlier date. Would the gentleman enlighten us a little bit as to how he arrived at the information?

Mr. CONYERS. Yes, I would be pleased to enlighten my colleague. I merely sent a member of my staff over to the Archives located on Pennsylvania Avenue to raise the question and to see the oath. We do not have handwriting experts on our staff, but it is not my intention to put the authenticity of this oath into question at this time. This question came up—and as the gentleman from Virginia (Mr. BUTLER) who served on the Committee on the Judiciary during the impeachment proceedings with such great distinction will recall—during the impeachment when an archivist was called in on at least several points concerning the authenticity of Watergate-related documents. Therefore, we wanted to learn about the history of this document since it is an important item in the Archives.

There are a couple of other points that I would like to raise. It seems the committee has had some difficulty in determining the exact date when the 14th amendment to the Constitution took effect, a matter you will appreciate is of some importance to me. The committee states it occurred on June 21, 1868, but take my word for it, it really occurred on July 28, 1868.

I turn now to what I consider another crucial question in this discussion. What was the intention of General Lee with regard to amnesty? What benefits did he wish to enjoy under the First Amnesty Proclamation of President Johnson which required former Confederate officers to submit a special application and an oath? As we know General Grant supported General Lee's application. Apparently, General Lee neglected inadvertently to submit an accompanying oath, which he later submitted on October 2, 1865.

I suggest to the Members we may be stretching the point just a bit because section 3 of the 14th amendment involves only a very limited disability, as my colleagues on the Committee on the Judiciary are well aware. It only prohibits one who participated on the Confederate side from holding any Federal office, including positions in the U.S. Armed Forces.

I would inquire rhetorically if any Member of this body is claiming that the oath submitted in connection with the First Proclamation had anything to do with relieving General Lee from the disability imposed by section 3?

To me the fairest interpretation of this matter would incline one toward the negative.

Mr. BUTLER. Mr. Speaker, will the gentleman yield at that point?

Mr. CONYERS. Permit me to finish my statement. I will be through in just a moment.

Mr. Speaker, it just so happens that General Lee was an enfranchised citizen of his community in Lexington, Va., where he spent his last distinguished years as the president of the now renamed Washington and Lee University. Apparently, however, he never chose to vote after 1865. Furthermore, the biographies on General Lee concur that he was not interested in holding any public office after 1865. If that is so, it can be construed that General Lee was well aware of the disability under section 3 of the 14th amendment and that he knew he had been relieved of all the other disabilities by virtue of the Presidential Amnesty Proclamation of December 25, 1868. In this proclamation President Johnson granted "a full pardon and amnesty for the offense of treason against the United States," excepting of course the disabilities imposed by section 3 of the 14th amendment which the President by executive order could not remove. So if General Lee, fully aware of this, chose not to pursue the matter further, then there might be a very valid question of his intent to raise in connection with this resolution.

Now I will be happy to yield either to the chairman of the subcommittee or to my colleague, the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Speaker, I thank the gentleman for yielding. I think the question the gentleman raises about the intention of General Lee to seek admissibility or relief from all the limitations which had been for one reason or another placed upon him is a very legitimate inquiry. But, of course, we have first the oath which follows the application.

Mr. CONYERS. I wish to say to the gentleman from Virginia I would be glad to respond to a question of his, but if he just chooses to engage in general debate, then I refuse to yield further.

Mr. BUTLER. The gentleman will recall that the gentleman took our time and I am now responding to a rhetorical question the gentleman asked a moment ago, on which I hope that I might be permitted to speak.

Mr. CONYERS. Mr. Speaker, I will not yield further and I reserve the balance of my time at this point.

The SPEAKER. The gentleman has consumed 11 minutes.

Mr. EILBERG. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I wish to concur with the remarks of Subcommittee Chairman EILBERG in support of the bill, Senate Joint Resolution 23, which, would posthumously restore full rights of citizenship to Gen. Robert E. Lee.

General Lee's military brilliance and his stature as a genuine American hero is well known. His tactics on the battlefields have long served as models for military students and his picture hangs in the military academy library at West Point where he once served as superintendent, next to the picture of his adversary in the Civil War, Ulysses S. Grant.

A nuclear-powered submarine bears his name and sails together with another submarine named the *Abraham Lincoln.*

I believe a lesser known aspect of General Lee's life deserves particular mention at this time. After the conclusion of the Civil War, history tells us that General Lee's actions were aimed toward resolving any division that still existed in our country, rather than to perpetuate it. As Jonathan Daniels states in his book, "Robert E. Lee's Last March":

> By word and deed he opposed hate and bitterness in the south. Gently he declined the offer of some ragged, simple soldiers to provide him a mountain hideout where he might continue to defy the union.

After the war, he wrote to a Confederate veteran who planned to leave Lee's home State of Virginia for a foreign country, that "Virginia has now need for all her sons and can ill-afford to spare you." His action in applying for pardon and amnesty itself shows his efforts to set an example to Confederate supporters to put the war behind them.

Robert E. Lee therefore, is not only a great military hero, but one who can serve as a model today. By his words and his deeds, he set an example that would serve us well to follow in light of some of the bitter divisions that have developed in our country in the recent past based, once again, on war.

Section 3 of the 14th amendment provides that Congress, by a vote of two-thirds of each House, may remove the restrictions on the rights of a citizen who has engaged in insurrection against the United States. Congress has acted many times in the past to remove such disabilities, and in fact did so June 11, 1874, for Lee's nephew, Fitzhugh Lee, and on

July 26, 1886 for Lee's son, William H. F. Lee.

I urge my colleagues to vote to suspend the rules and pass this bill to remove this disability from General Lee, albeit posthumously. I think it is most appropriate as we begin our Bicentennial celebration to remove any remaining restrictions on the citizenship of this great American hero, Gen. Robert E. Lee.

Mr. EILBERG. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Speaker, I rise in strong support of Senate Joint Resolution 23 and urge my colleagues to give a favorable vote to this measure which would restore posthumously full U.S. citizenship to Gen. Robert E. Lee.

As we all know by now, General Lee faithfully executed all the papers and oaths of allegiance to regain his citizenship following the War Between the States. However, due to a bureaucratic mistake or the intentional actions of someone, his oath of allegiance to the United States was never received by the proper authorities in Washington. Because of this unfortunate situation, General Lee never regained his citizenship before he died in 1870 and the Congress was not even able to rectify the matter. Thanks to a diligent researcher at the National Archives, the General's oath of allegiance was found among other papers in 1970 and we are now in a position to grant General Lee his full rights of citizenship even though the action comes 105 years too late.

Mr. Speaker, I feel very deeply about the greatness of Robert E. Lee and feel that he was a man all Americans would be proud to refer to as their fellow citizen. However, unless we pass Senate Joint Resolution 23, he will not be a fellow citizen of ours.

Many people might wonder why we should concern ourselves with restoring the rights of citizenship to a man who departed this world over 100 years ago. We have this bill under consideration because it is a matter of principle just as Robert E. Lee himself was a man of high principle. Even General Lee's most avid foe, President Grant, attested to Robert E. Lee's right to have his citizenship restored and strongly urged that it be done.

Mr. Speaker, we in the 94th Congress have the opportunity, honor, and privilege to right a grievous wrong. I hope we will seize this opportunity by voting favorably for Senate Joint Resolution 23 and finally restoring the full rights of citizenship to Gen. Robert E. Lee.

Mr. EILBERG. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, I rise with great pleasure and with immense personal satisfaction to endorse and support this measure before us today, restoring the full rights of citizenship to one of the South's greatest sons, Robert E. Lee.

Perhaps some of my friends and colleagues in this Chamber will recall that one of my first actions as a freshman Member of the 88th Congress was to introduce a bill to restore the full rights of U.S. citizenship to General Lee.

That was the first bill I authored as a Member of Congress, and it was introduced on March 21, 1963. I have waited a long time for this moment, as have others here, and I am enormously gratified that I have not waited in vain.

It is now 110 years since Gen. Robert E. Lee bade farewell to his heroic soldiers of the Army of northern Virginia. As he reviewed the torn and battle-stained banners of the ruined Confederate cause for the last time, his eyes filled with tears.

In his mind, perhaps, he heard again the crash and thunder of cannon, the rattle of rifle fire, the awful mournful sounds of the battlefields. Manassas, Antietam, Chancellorsville, Gettysburg, Richmond—all the thousands wounded and dead. Perhaps Lee recalled his own wretched cry at Gettysburg as he dismounted and walked forward toward his beaten soldiers after Pickett's charge had carried them to the high-water mark of the Confederacy. "It is all my fault, it is all my fault."

At last it had come to an end. At last this most terrible war in our history was over. Robert E. Lee had fought the war with honor. He ended it with honor.

He told his soldiers to lay down their arms. He told his soldiers to return to their homes and to rebuild their shattered lives. And he also told his soldiers to loyally return to their previous allegiance to the United States of America. And then, Lee mounted his horse and rode slowly to Appomattox courthouse.

Mr. Speaker, I am deeply honored to be permitted, over this long gulf of time, to embrace Gen. Robert E. Lee of Virginia as a fellow citizen of the United States. God bless his honored memory.

Mr. EILBERG. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Speaker, as the sponsor of House Joint Resolution 418, a bill identical to the one before us today, I am especially pleased to rise in support of legislation to posthumously restore citizenship to a great Virginian, Robert E. Lee.

This bill has a special significance to me for several reasons. First, General Lee was born in my State and he spent many years in my district. He attended two schools in Alexandria which is in Virginia's Eighth Congressional District. According to historians, his childhood model was George Washington, whose home, Mount Vernon, is near my own in my district. He had another tie to General Washington as well: He married Mary Ann Randolph Custis, the great-granddaughter of Martha Washington. There are streets, schools, and other landmarks throughout my district bearing Lee's name and frequently both names, Washington and Lee.

Also, the Gazette newspaper in Alexandria has spearheaded a unique drive to restore General Lee's citizenship and has collected 15,000 signatures of support from individuals in 43 States and several foreign countries. I had the honor of presenting to the Subcommittee on Immigration, Citizenship, and International Law the signatures collected by the Gazette during hearings on the bill June 11. Also the Virginia General Assembly, in 1974, unanimously passed a joint resolution urging Congress to enact this legislation.

To me, congressional approval of this bill represents a tribute long overdue. By some still not understood snafu, General Lee's oath of allegiance never reached President Andrew Johnson. The historian Elmer O. Parker has said that Secretary of State William H. Seward gave Lee's application to a friend as a souvenir. It was not until 1970 that it was discovered among some other Civil War documents in the Nation's Archives. This to me is the unfortunate epitome of Government inaction, and I urge my colleagues to join me today in what should have been done long ago.

General Lee was a man of conscience and principle. He said:

> While I wish to do what is right, I am unwilling to do what is wrong, either at the bidding of the South or of the North.

After the war, he led a life of devotion to his country. He said:

> I have fought against the people of the North because I believed they were seeking to wrest from the South its dearest rights. But I have never cherished bitter or vindictive feelings and have never seen a day when I did not pray for them.

Following the war, his primary interest was restoring the economic, cultural, and political life of the South. One biographer says:

> He set an example of obedience to civil authority.

He became president of Washington College—now Washington and Lee—in Lexington, Va., preparing young men to be leaders of the reunited States of the Union. Instead of harboring bitterness, General Lee put his full effort into healing the wounds of the war.

He was a dedicated father. His son Robert wrote of him:

> He was very patient, very loving, very good to me, and I remember trying my best to please him in my studies. When I was able to bring home a good report from my teacher, he was greatly pleased, and showed it in his eyes and voice, but he always insisted that I should get the "maximum," that he would never be perfectly satisfied with less.

The eminent Virginia biographer Dumas Malone has written of him:

> His unique relations with his soldiers, his affection for children, his dignified courtesy, and his love of animals are illustrated by a thousand anecdotes that are part of the spiritual treasury of Americans. His temper and patience seldom failed him. Self-control was second nature. His rare outbursts of wrath, usually attended by a reddening of the neck and a curious jerk of the head, were generally followed by some particular gracious act to the object of his displeasure.

It has been 110 years since General Lee applied for a pardon. It has been 105 years since General Lee's death. I call on my colleagues to support Senate Joint Resolution 23—a tribute to a fine Virginian. It has been delayed for too long.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to my colleague, the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY of New York. Mr. Speaker, I just have one question. I am very curious about one matter. Very probably the gentleman from Virginia could answer my question. Does this restore General Lee's right to hold elective office in the United States?

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

Mr. DOWNEY of New York. I yield to the gentleman from Virginia.

Mr. HARRIS. I thank the gentleman for yielding.

The rights of returned citizenship would under the laws and Constitution of the United States restore General Lee's right to hold elective office, although I do not fear any campaign threat next year.

Mr. DOWNEY of New York. That is my concern.

Mr. EILBERG. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Speaker, I, too, am pleased to rise and speak in favor of this resolution to restore posthumously to Gen. Robert E. Lee his full rights of citizenship. Since I introduced a similar resolution late in February I have had a number of opportunities to speak about General Lee. Each time I do, I develop a new respect for his character and his virtue.

His family figured in our history from colonial and revolutionary times. Through his wife he was related to Martha Washington and became master of Arlington House, the lovely house familiar to all the Members which sits on the hillside across the Potomac surrounded by the national cemetery and overlooking the city of Washington, a hillside, incidentally, that is in my hometown of Arlington and in my congressional district. Indeed, General Lee is the foremost and most illustrious citizen of Arlington over the years of our national history.

Some interesting questions have been raised by the gentleman from Michigan. If the gentleman is concerned about the intent of General Lee then I would call to the attention of the Member once again the oath submitted by the general and reprinted in the committee report and read a few moments ago by my colleague, the gentleman from Virginia (Mr. HARRIS). Surely the intent is clear.

Beyond this direct evidence is the whole circumstance in which General Lee conducted himself after the war had ended. There could be no doubt from the circumstantial evidence that General Lee genuinely desired and wanted restoration of his full rights of citizenship. The constitutional point the gentleman makes is outweighed by the merit of this resolution, and should not cause anyone to vote against it.

If the gentleman from Michigan is concerned that somehow the evidence that laid buried so long in the Archives came to light before recent years and somehow or other Congress ought to have acted sooner, then so be it. I wish we had acted sooner. This is a very compelling argument, it seems to me, for acting now and not letting the matter go on any longer. Today we do have the opportunity to correct the error made more than a century ago when the oath of allegiance was misplaced.

I urge most strongly—most strongly—that my colleagues do vote for this resolution which has already passed the Senate.

Mr. CONYERS. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, I rise in opposition to the resolution which grants citizenship posthumously to Gen. Robert E. Lee.

I recognize that serious questions have been raised about the historical validity of the documents regarding General Lee's application for amnesty. I also am aware of the futility of granting General Lee the right to run for the Senate or Congress and the right to hold Federal office, since it is very unlikely, indeed, that he can exercise such rights. It is not for these reasons, however, that I primarily oppose this resolution.

I oppose this resolution because it seems to me to raise an issue of misplaced priorities. It is true, the War Between the States was a very divisive war. We had a war very recently that caused as much division in our country. There are Americans right now who have lost their citizenship because they opposed that war. They were not eligible for clemency under President Ford's program. They are not eligible to return to the United States.

There are other Americans who refused to fight. They face prosecution here. They cannot come home.

This is a bicentennial year. Therefore, the proponents of the resolution tell us we should correct the injustice done to Robert E. Lee now. What about these living Americans? Will we allow them to come home?

General Lee led armies against this country. The Congress is willing to forgive him. What about the young men who refused to bear arms in a war that they thought was unconscionable? Like General Lee, they placed principles above conscription. Why does the Congress ignore them?

It seems to me to be a bitter blow at a time of the Bicentennial to turn a deaf ear to the plight of the living. We ought to be able to show as much compassion and concern for the living as for the dead.

Mr. Speaker, it is for that reason that I oppose this bill.

Mr. EILBERG. Mr. Speaker, I yield myself 1 minute at this point.

In reply to the gentlewoman from New York, I would like to make a comment on the gentlewoman's statement about misplaced priorities. The gentlewoman knows and the Members know the jurisdiction of our subcommittee. Our subcommittee simply has no jurisdiction over amnesty.

I think we know also that another subcommittee, headed by the gentleman from Wisconsin (Mr. KASTENMEIER), is considering that matter and will no doubt be bringing that matter to the floor very shortly.

I would also add in reply to one of the other statements made, it is necessary to pursue this route by reason of section 3 of the 14th amendment.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. EILBERG. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I would advise the gentleman that I introduced a bill (H.R. 7893) on June 13, 1975, which does permit American citizenship to be restored to those who renounced it because of their opposition to the Vietnam war. That bill has not been acted upon and it has been referred to the subcommittee of the gentleman from Pennsylvania.

Mr. EILBERG. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I think it is never a waste of time to make a gesture of grace and generosity. I recall a statement of General Lee that I think was one of the finest statements of grace and generosity ever made by a general. I think it was after Gettysburg when he said:

> It was all my fault. I thought my men were invincible.

Combined in that very short statement was his recognition of his own fallibility and also a high compliment to his men. Of course, he was fallible. Most all the South was fallible.

Some men took a different position. Sam Houston was driven from the governorship of Texas, because he disagreed with the final determination of General Lee; but the fact that men may be wrong does not mean that they should not be treated with grace and generosity. Many men have died for causes that were tragically wrong, but if they believed in it and conceived of it as one for which they and their countrymen should pledge their lives and fortunes, they deserve at least our grace and generosity and oftimes our respect and honor.

Mr. EILBERG. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Speaker, Members of the House, I thank the gentleman for the opportunity to speak to the House on this matter. I also want to thank the gentleman from Michigan (Mr. CONYERS) for stating his opposition in the manner he has, and not taking this opportunity of maligning the memory of this great American.

Mr. Speaker, I am privileged to repeat now some remarks that were made to me by a newly naturalized citizen of the United States as a fair summary of why we should adopt this legislation.

The tribute follows:

ROBERT EDWARD LEE—FULL CITIZEN

Lee is a name that is a part of Virginia and Virginia is a part of the United States.

It is one of the original States.

But there are some today who identify Robert E. Lee with the history and traditions of Virginia and still dissociate him as it were, from the rest of the United States.

And technically at least, they are right.

Robert E. Lee is indeed a man set apart from his country.

For as Douglas Freeman writes: "He did not die disfranchised in the strict sense of the word" . . . "but he did end his days disbarred from office" . . .

Today more than a hundred years after his death, this right to hold office and therefore full citizenship has yet to be restored posthumously to Lee and thus for him the effects of the Civil War endure.

Some may consider it immaterial whether

or not all rights of citizenship are restored to Lee.

They view this as a minor technicality which cannot affect the stature of the man one way or another.

But it is in fact much more than a technicality.

The virtual legal separation of Lee from the community of United States citizens eligible for office is symbolic of an enduring penalty paid by a great man for a choice of allegiance he once made in good faith.

And as such it is also an abiding symbol of former disunity and therefore should be effaced as soon as possible.

Moreover it creates a dangerous precedent.

If such enduring severity was shown to a man like Lee, what treatment can lesser people expect?

And if Robert E. Lee is not worthy to be a U.S. citizen, then who is?

There are some who even today cannot forget the Civil War.

Their families have remembered the heartbreak, suffering and devastations that were caused by this war.

Today more than ever we need all the unity we can achieve and no aspect of discord is too insignificant to be ignored.

Whatever the causes and consequences of a cruel and now ancient war—and no war is more cruel or leaves more bitter and lasting resentment than does a civil war—the past cannot be lived again.

Only the future holds promise and this cannot be realized with divisions.

The descendants of those who fought on both sides of the Civil War have fought side by side in two world wars.

On foreign battlefields and beachheads, who among them cared to remember past differences?

And for the populations that welcomed American troops as allies or as liberators, there were no Southerners and no Northerners, there were only Americans.

Let us therefore honor the dead and let us express our hope in the living and in their children.

In these days when heroes are hard to come by, and the passions of past wars are being gradually stilled, let us see our real heroes as they truly were, formidable in war, admirable in victory as well as in defeat.

Today we are extremely conscious of man's civil rights, of his freedom to follow the dictates of his conscience.

Perhaps more than most, Robert E. Lee lived according to the dictates of his conscience.

Agonized soul-searching led him to make a choice he felt to be the only one possible for him as a Virginian.

But when the war was over Lee called for unity.

"Forget all these animosities" he wrote to a mother, "and raise your sons to be Americans."

And in his last years spent as president of the Washington College in Lexington, Virginia, he never forgot this objective.

Now that all the United States and more particularly the original States are busily preparing to celebrate the Bicentennial, is it not the time to efface yet another memento of past division by a symbolic, eloquent gesture of unification?

Is this not the time to restore at last all the privileges of United States citizenship to Robert E. Lee?

Mr. CONYERS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker and my colleagues, the question must necessarily be asked, What does Senate Joint Resolution 23 do? The answer is that it relieves the disability under section 3 of the 14th amendment which provides as follows:

SEC. 3. No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disability.

To those who do not consider this a sentimental, symbolic gesture, or an act to heal old wounds and to reunite the American people, the resolution strikes me, to be quite frank, as unnecessary. But I shall address the House in the spirit of the compliment the gentleman from Virginia paid me earlier. I am going to examine this matter from the viewpoint of the proponents of this resolution. I agree that each of us should be able to honor and retain our own heroes. But can it be said in all candor that this resolution before us is charitable, healing, and reunifying?

I would suggest to the Members that, until amnesty is granted to, and full rights of citizenship are restored to, those young Americans who, according to their consciences, resisted the ignoble war in Indochina, this resolution will be neither healing nor charitable. Its approval may even create further division in our land, in my humble opinion.

Other proponents of the resolution argue that this should be done in the spirit of the Bicentennial, as a way of rededicating this Nation to the principles of the founders. If the Congress truly wishes to commemorate anything in this Bicentennial year, we might consider the restitution of the full rights of citizenship to the millions of Americans who are out of work or without livable incomes, who living without economic choice and security surely cannot enjoy political freedom. Congress can do this by devoting its attention to passage of full employment, serious tax reform, and national health insurance legislation, among others. Would not this kind of legislative action rededicate the Nation to the principles on which our Government is founded—equal justice and the consent of the governed?

Proponents of this resolution speak of it as a gesture of good will across the centuries to heal old wounds. Then why do we refuse a gesture of good will across generations within our lifetime and fail to restore full rights of citizenship to tens of thousands of conscientious war resistors who now are forced to live abroad, in oblivion, removed from their families and their communities? Another great Virginian, Thomas Jefferson, once remarked that this country—its Government—belongs to the living, not to the dead, and I suggest we heed the wisdom of his insight. Further, it is ironic that General Lee should be praised for heeding his conscience during the Civil War though his action then had ruinous effect on this Nation, while these young Americans are damned for heeding their consciences, an action which has done no damage to the Nation. What do we tell these young Americans when we take action to honor a man dead 105 years and who is already greatly honored and at the same time leave them consigned to a life of dishonor? Should we not first nurture our living—the young war resistors as well as the millions who are unemployed and impoverished—before we rehabilitate one who is dead?

But now I must address another question about the constitutionality of this resolution to the distinguished subcommittee chairman before whose committee the resolution was considered and with whom I sit on the Committee on the Judiciary, Mr. EILBERG. Do we have the authority to implement retroactively the provisions of section 3 of the 14th amendment? There is to my knowledge no precedent to restore posthumously full rights of citizenship under these circumstances. It is true that section 3 was the subject of legislation enacted by the Congress on June 6, 1898, and signed into law by President McKinley which removed the disability under section 3 but it specifically applied to persons living. Retroactive implementation of section 3 has never occurred.

Mr. EILBERG. If the gentleman will yield, we were relying on the opinions of Counsel to the President and the Attorney General.

Mr. CONYERS. The Counsel of what President? I will tell the Members. President Richard Nixon.

Mr. EILBERG. All right.

Mr. CONYERS. Who was the Counsel who referred this to the President?

Mr. EILBERG. I have some correspondence in my file.

Mr. CONYERS. Let me make a suggestion. I admit there is an overwhelming number in this body who want to approve this resolution, but would the gentleman not concede to me that to properly honor this great American it would be more appropriate to proceed on a sound and accurate legal and factual basis? What could be more demeaning to the memory of the late Gen. Robert E. Lee than to pass a resolution that is constitutionally questionable, that is legislatively unsound, and that is factually inaccurate?

On behalf of that gentleman's memory, I would ask the chairman to consider at this point withdrawing the joint resolution so that a more satisfactory bill can be developed.

Mr. Speaker, in keeping with the spirit in which this debate has been joined, I yield the balance of my time to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Speaker, I thank the gentleman for yielding this time to me. I was caught somewhat by surprise here. There have been so many points that the gentleman raised that I could have responded to them better in 20 minutes than in 1 minute.

I think it sufficient to say to the gentleman that there is no question, based on the counsel's opinion dated April 14, 1971, that there is any course of action available to those people who would take this action except congressional action. No one has seriously questioned the constitutionality of it; no one has seriously

questioned whether we are proceeding in the appropriate legislative manner.

I think its purpose is not to give General Lee an opportunity to appear before this body as a Member but to right a wrong that was done through error in the Department of the Army, and this goes back to 1868.

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

Mr. BUTLER. If I have any more time, I yield to the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman for yielding. What counsel does the gentleman from Virginia refer to?

Mr. BUTLER. The counsel of the President of the United States, Richard M. Nixon, who was President on the 14th day of April 1971. Does the gentleman not know who was counsel at that time?

Mr. CONYERS. Mr. Speaker, if the gentleman will yield further. I will say that the Virginia congressional delegation petitioned the President for an Executive pardon and was advised by the President's Counsel, none other than John Dean, to seek legislative rather than Executive relief.

Mr. BUTLER. "Even mighty Homer sometimes nods."

Mr. EILBERG. Mr. Speaker, I yield 30 seconds to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Speaker, I rise in support of this legislation of which I am a cosponsor.

General Lee has been a man without a country for 110 years. His oath of office was forwarded, but it did not accompany his application for citizenship. It was only through the alertness of an archivist, Elmer O. Parker who discovered this oath of office in 1970, that the copy of the oath was found.

General Lee richly deserves to have this legislation passed to restore retroactively his American citizenship.

In Statuary Hall, where this body formerly met prior to 1857, Virginia is well represented by the statue of Robert E. Lee. General Lee is a towering figure in American history. Those of us who have read and loved the multivolume biography of Lee by Douglas Southall Freeman can better understand the great and noble character of Lee.

West Virginia became the 35th State as the result of this Civil War, officially on June 20, 1863 when President Lincoln signed the proclamation designating the western section of Virginia as a member of the Union. My State was right in the middle of this struggle with 32,000 West Virginians in the Union Army and 10,000 with the Confederates. Fourteen Union generals and seven Confederate generals, including Stonewall Jackson, were from West Virginia. My State was the scene of about 600 engagements between the North and South with the first skirmish at Philippi on June 6, 1861.

Gen. Robert E. Lee had a brilliant career. He was with the Corps of Engineers, distinguished himself in the Mexican War, protected the settlers on the Texas frontier from attacks by the Apache and Comanche Indians, was Superintendent of West Point.

Before the outbreak of the Civil War he was sent from Washington to Harpers Ferry, W. Va., at the time of the John Brown raid in 1859 to put down the "insurrection." He did so with little loss of life.

Although Robert E. Lee became the living symbol of the Confederate cause to most southerners during the Civil War, he became locked in this war he never sought. He had freed the Lee family slaves long before the war began and he was strongly opposed to secession. His own devotion to Virginia finally resulted in his decision to turn down the command of the Union Army and cast his lot with the South.

It was after his surrender to General U.S. Grant at Appomattox Court House, Va., that Robert E. Lee showed the character that made him one of our country's most revered heroes.

After the war, he was a homeless, paroled prisoner of war. His Arlington, Va., home, now the Lee-Custis Mansion in Arlington Cemetery, had been seized by the U.S. Govenment for nonpayment of taxes. Lee could have had many positions of wealth and prestige but he chose to spend his last years as president of Washington College at Lexington, Va., later renamed Washington and Lee University. He said:

> I shall devote my remaining energies toward training young men to do their duty in life.

He urged his friends and students to keep the peace and accept the outcome of the war. He opposed the bitterness and hatred sweeping the South and the North. His attitude was extremely important. He did everything in his power to restore the economic, social and political power of the South.

"Make your sons Americans," he urged.

Let us make Robert E. Lee an American today. He wanted to be an American. He had written President Andrew Johnson asking for amnesty and he also signed the Oath of Allegiance. But the documents became separated and the oath was not found until more than 100 years after General Lee's death.

General Lee had applied for his pardon, hoping to set an example for other southern leaders to follow.

General Lee had applied for his pardon on June 13, 1865. He died 5 years later on October 12, 1870.

It is only proper that we give citizenship to Robert E. Lee, a distinguished educator, great soldier, and notable Christian gentleman who has been a man without a country far too long.

Mr. EILBERG. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in conclusion, I agree with the gentleman from Michigan (Mr. CONYERS) in the statement that this is an act of healing we are engaged in, and our actions are directed toward correcting something that should have been rectified a long time ago.

Mr. Speaker, I urge an affirmative vote on this Senate joint resolution.

Mr. BIAGGI. Mr. Speaker, I rise to make one brief observation about this legislation. I feel it is just and seeks to correct a serious oversight against Gen. Robert E. Lee. By all indications this legislation is likely to pass here today.

I, too, have introduced legislation designed to correct a far more serious oversight against a far greater American, George Washington. My bill would bestow on him the highest military rank possible, general of the armies. The failure to designate this honor on George Washington is a profound tragedy which deserves immediate remedy. In 1799, the Congress did pass legislation authorizing the appointment of General Washington to this position but under an act passed but 3 years later the position was abolished. It was later revived and the first recipient of this honor was Gen. John J. Pershing.

Considering the tremendous achievements of George Washington in the War for Independence and his equally impressive early service to our country as President and Commander in Chief, makes it only appropriate that he no longer be outranked by any other military officer.

I feel as we prepare to embark upon our Bicentennial Celebration we should work to bestow appropriate honors on the early heroes of our Nation. I see no better place to begin than with the passage of my resolution to designate George Washington general of the armies. I hope this legislation receives the same expeditious treatment as Senate Joint Resolution 23 has enjoyed.

Mr. WHITTEN. Mr. Speaker, I am proud of the action of the U.S. House of Representatives this day in posthumously restoring full rights of citizenship to Gen. Robert E. Lee, and the description appearing on the first page of the resolution means much to all who have studied American history, as well as to our Nation. I quote:

> Whereas this entire Nation has long recognized the outstanding virtues of courage, patriotism, and selfless devotion to duty of General R. E. Lee, and has recognized the contribution of General Lee in healing the wounds of the War Between the States, and
>
> Whereas, in order to further the goal of reunion of this country, General Lee, on June 13, 1865, applied to the President for amnesty and pardon and restoration of his rights as a citizen, and
>
> Whereas this request was favorably endorsed by General Ulysses S. Grant on June 16, 1865.

After detailing the mishaps which have delayed this action, the resolution is as follows:

> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That, in accordance with section 3 of amendment 14 of the United States Constitution, the legal disabilities placed upon General Lee as a result of his service as General of the Army of Northern Virginia are removed, and that General R. E. Lee is posthumously restored to the full rights of citizenship, effective June 13, 1865.

Mr. Speaker, under leave granted me to extend my remarks I include a letter which I received about a month ago from a fine Mississippian and lifelong friend of mine, Hon. B. F. Worsham, of Corinth, Miss. Mr. Worsham, a fine lawyer, distinguished citizen, beloved by all who knew him was 90 years of age when he wrote the letter which I present. Since that time providence has deprived us of his presence for he was killed in an unfortunate automobile wreck on the 16th of July, this year. Judge Worsham and

his father before him would take great pride in the action we take here today.

I quote Judge Worsham's letter and his enclosed note:

CORINTH, MISS.,
June 7, 1975.

DEAR JAMIE: Thank you for your letter of the 2nd; after reading your letter I thought you might like to have a copy of a note I found in Father's office after his death. He had a habit of just writing little notes for no reason nor occasion. I thought this was a pretty nice little story, and of course Father was in hearing distance.

Have just returned from the Gulf Coast and the state Bar meet. They honored Bob Forley and me as outstanding lawyers and citizens at the annual Banquet. Would you believe it?

Best wishes,
Your friend,

B. F. WORSHAM.

I am a Conf. Veteran of the Army of Northern Virginia, and served 2 years a member of a Va. Battery. We were engaged in most of the great battles, around Richmond and Petersburg, and surrendered at Appomattox C. H. on Apr. 7th.

Gen. R. E. Lee was dearer to the hearts of all his followers than at any time during the great struggle of the '60's. His soldiers almost worshiped him. He assumed all responsibility in the mistakes of his subordinates. He minimized the imperfections of his inferiors as well as commended the valor and successes of others. But with all the grandure of his comrades on the field of battle or his superb wisdom as Prest. of Washington and Lee., there is one incident that occurred on the march from Petersburg to Appomattox which is indelibly stamped upon my memory. We were worn and weary and hungry from the long marches and almost daily fighting, when the Gen'l. riding along the road was asked by one of his men, "how long, Mars Bob, before we go into camp"? Gen'l. Lee asked him if he was much tired. He answered, I don't believe I can go any farther. The great Gen'l. said "get up on that stump," and the poor old soldier mounted behind him on old "Traveler," and passed out of sight, amid the cheers of hundreds of voices.

A man less noble and great would have given him no notice. But no praise of men can add to his greatness, nor criticism nor sensure can diminish the lustre of his character.—Written by one of Lee's boys.

Mr. KASTENMEIER. Mr. Speaker, it is ironic that it has come to pass that the House should be considering legislation restoring the citizenship, and thus granting amnesty, to Gen. Robert E. Lee, while, at the same time, the subject of amnesty for Vietnam war and draft resisters has not been settled.

Those young men, who presently seek amnesty as a result of their refusal to participate in the Vietnam war, are charged with crimes which do not approach the magnitude of those committed by General Lee. General Lee, after all, did take up arms against the U.S. Government in a rebellion designed to destroy the Union.

Mr. Speaker, the House Judiciary Committee will have before it the Vietnam war amnesty question which is a little more relevant and germane than the matter of Robert E. Lee. I trust that the Judiciary Committee and the House will give the Vietnam Era Reconciliation Act the same favorable consideration that has been accorded to Gen. Robert E. Lee.

Mr. DOWNING of Virginia. Mr. Speaker, I rise today in support of Senate Joint Resolution 23, legislation which would restore posthumously full rights of citizenship to Gen. Robert E. Lee. Having authored a similar House bill for such restoration, I lend my full support to this proposal as a fellow Virginian and as a longtime admirer of General Lee.

More than 100 years have passed since, due to error, General Lee lost his opportunity for full citizenship during the latter part of his life. However, by passage of this bill we can rectify the record and bestow the full rights of citizenship on one of America's finest. I urge your support.

Mr. ROBINSON. Mr. Speaker, it is a privilege to join in the expressions of support for this joint resolution, which was introduced in the other body by my friend and neighbor, Senator HARRY F. BYRD, JR., of Virginia.

The important point about this resolution is that it does not propose to accord Gen. Robert E. Lee any status above that which was made available to the private in the ranks of his command. Lee would not have wanted it otherwise.

Lee was a disciplined man, an observer of proprieties, a man of manners.

His enactment of the ceremony of surrender—a cruel experience for any commander—was performed with dignity and grace which sparked the admiration of his adversaries, including General Grant.

He was a deeply saddened man, but it was not of his character to harbor and nurture bitterness. He was a patriotic citizen, and he accepted the consequences of the defeat his cause had suffered. He urged a general binding up of the national wounds. It would not have been consistent with his character for him to spurn allegiance to what, after all, was his country, as the war's end had left it constituted.

The written evidence, however, became buried, unaccountably, and was not restored to light until 1970, when it was found in the National Archives.

The privilege of signing, or refraining from signing, the oath of renewed allegiance attached to Lee in the same measure as to the rank and file. Lee had signed, not long after Appromattox.

Today, we can do his memory, by this resolution, no special favor—only simple justice.

Ms. ABZUG. Mr. Speaker, we are spending congressional time deciding whether to restore the right to hold office to a man who has been dead for over a century—Robert E. Lee—who led armies against the United States. Now it is proposed we restore to him full citizenship rights. We do that today as we vote for this bill.

What about the more than half a million young Americans who have been deprived of their full citizenship rights for refusing to participate in the disastrous war in Indochina? Most of these living men were given bad discharges which cripple them in their search for employment. Thousands more suffer from criminal records for their war resistance activities, 20,000 or more young Americans have been driven into exile for having tried to show their country its error. Should we not give amnesty and restore full citizenship rights to these living war resisters and restore them to useful service in their communities before we consider General Lee's right to hold office? Better at least simultaneously with this gesture to the memory of Robert E. Lee.

These young men did not lead armies against their country. Their only "crime" was anticipating their countrymen's realization of the injustice of the Vietnam war. It is now proposed that we honor General Lee for following his conscience. Should we not do the same for the thousands of living Americans who followed their conscience, and whose actions have been vindicated by events?

Two months ago, this House dealt with the question of whether we should spend $400 million to assist those persons driven from their homeland by the war in Southeast Asia. I tried to persuade my colleagues at that time that we should at least offer the same relief in the form of amnesty to our own political refugees that we were prepared to offer to those Indochinese who had fled their countries because of their fear of persecution for their political beliefs.

Although my efforts were not successful at that time, let us hope that it does not take a century for Congress to exhibit the same spirit of reconciliation toward our legally disabled war resisters that is now being advocated on behalf of a long dead rebel general. Rather than simply dwelling on the academic exercise of deciding whether General Lee is entitled to hold office today, let us rather deal with the urgent issue of restoring full citizenship rights and privileges to hundreds of thousands of living Americans.

Mr. BOWEN. Mr. Speaker, I rise in support of a matter which has needed action for more than a century. The restoration of citizenship posthumously to General Robert E. Lee would be an important landmark of harmony and understanding among the regions of our Nation, particularly the North and the South.

General Lee was a man of valor, courage, integrity, great humanity, and great leadership ability. His choice of loyalties in 1861 was one of the most difficult any man in history has had to face. That he became a hero among the defeated warriors of "The Lost Cause" and also was admired and respected by his victorious adversaries puts him in a very special category for which history has chosen only a few. Not only was General Lee a great American, a military leader whose tactical and strategic brilliance is still studied by military officers and historians, but he was an outstanding educator and leader of young men.

On October 2, 1865, he became president of Washington College in Lexington, Va., which is now Washington and Lee University, named in his honor after his death in 1870.

General Lee believed that the best contribution he could make to bind up the wounds of a bloody and terrible war would be to help prepare and train young men to lead in a nation of peace and progress.

On December 21, 1865, at Washing-

ton College, Kappa Alpha Order was founded, the fraternity to which I belong. Because of his friendship for those students who established the order, his presidency of the college at that time, and his popularity and esteem throughout the South, he is regarded as the spiritual founder of Kappa Alpha.

But above and beyond the bonds of that fine fraternal order, let us note the facts which fully justify the restoration of his citizenship by Congress. General Lee was a renowned American officer before he was a Confederate military leader. He fought for this country during the Mexican War, side by side with some of the same officers who opposed him and fought with him during the War Between the States. When that terrible conflict broke out in 1861, General Lee was faced with an agonizing choice—accept a post as commander of the Union armies which would be hurled aginst his own people, his own State of Virginia, or resign from the U.S. Army and join his people in fighting for what they believed was a just cause. With heavy heart, he chose Virginia.

After the war, because of bureaucratic ineptitude and mishandling of documents, as the House Judiciary Committee report on the joint resolution sets forth, General Lee's amnesty oath, which he dispatched to President Andrew Johnson, never came either to President Johnson's attention or to President Grant's after that. So, when General Lee died in 1870, without being pardoned, his October 2, 1865, oath of amnesty remained lost and was not discovered until 100 years later, when it was finally found among State Department records located in the National Archives.

The time has come to correct this century-old oversight. As an American, a Mississippian, a Member of Congress, and a member of Kappa Alpha Order, I am proud to be among the cosponsors of House Joint Resolution 445, identical to its Senate counterpart, Senate Joint Resolution 23, which restores posthumously full rights of citizenship to Gen. Robert Edward Lee of Virginia.

This magnanimous gesture of Congress is just and right. I urge my colleagues from throughout America to support this measure, to rectify a wrong of history, and to restore the citizenship he valued so much to Gen. Robert Edward Lee.

Mr. BUTLER. Mr. Speaker, first I want to thank those who participated in this debate and have registered their objection for not taking this occasion to malign the memory of this great American, or to question the merit of what we propose to do here. The important considerations which have guided their judgment are significant to them. I would not quarrel with anyone's right to take an opposing position, but I am grateful that they acknowledge, as do we all, the true greatness of Robert E. Lee.

I take the well at this moment to share with my colleagues a few of the facts surrounding the life of Robert E. Lee during the period following the War Between the States, so that there will be an appropriate record and sound justification for the posthumous action we take at this time.

Following the surrender at Appomattox on April 19, 1965, the troops of the Confederacy were paroled to their homes on condition that they thereafter not take up arms against the United States. The conditions of this parole were perfectly apparent, and did not at that moment require an oath of allegiance to the United States. The discussions between General Grant and General Lee are a matter of historic record; each General was concerned with the welfare of our country and its citizens, at a time when hostilities were clearly coming to an end.

Confederate soldiers in some instances were allowed to retain a portion of their arms and horses for compassionate reasons, so that they might return to their natural agricultural pursuits before the spring planting season ended.

Following the surrender at Appomattox, General Lee returned to Richmond, Va. Shortly thereafter the U.S. Army was in the Confederate capital and on May 5, Gen. George Meade made a courtesy call upon General Lee. The biographer of General Lee, Douglas Southall Freeman, reports that in this conversation, General Meade "in the frankness of old friendship, urged Lee to take the oath of allegiance not only to establish his own status, but for the influence his action would have on the South. Lee replied, in the same spirit, by telling Meade what he had been thinking—that he had no personal objections to renewing his allegiance to the United States, and that he intended to submit to their authority, but he did not propose to change his footing as a paroled prisoner of war until he knew what policy the Federal Government intended to pursue toward the South. With the realism that always marked his acts, he agreed that the Government of the United States was the only one that possessed any authority. Those who proposed to live under it should acknowledge it by the oath. But he would wait and see how the Federal Government itself acted."

Following Lee's conversation with General Meade, he became aware on May 29 or shortly thereafter of the amnesty proclamation of President Johnson. Under this proclamation President Johnson granted amnesty to all persons who participated in the rebellion, with restoration to all rights to property, upon the condition that they take and subscribe to an amnesty oath to protect and defend the Constitution of the United States.

However, there were 14 classes of persons who were excepted from the benefits of this proclamation, and General Lee fell within a number of those. For example, he was excluded because he had been a military officer of the United States, had served in the Confederate Army, and had been educated by the Government at West Point. In addition, his property had an estimated value in excess of $20,000, he was an officer above the rank of colonel in the Confederate Army, and by tendering his resignation to the U.S. Army, he evaded his duty to resist the rebellion.

The proclamation further provided that special application could be made to the President of the United States for pardon by any person belonging to the excepted class, and such clemency would be liberally extended, consistent with the facts of the case, and the peace and dignity of the United States.

Upon learning of this proclamation, General Lee resolved to petition the President of the United States for pardon. But before doing so, he felt it appropriate to determine the wishes of General Grant. He proceeded to call upon his friend, U.S. Senator Reverdy Johnson of Maryland, to intervene on his behalf with General Grant.

Senator Johnson was pleased to do so, and quickly contacted General Grant, who advised him that he would willingly endorse Lee's application to President Johnson for pardon. Lee signed the appropriate request addressed to the President of the United States, as follows:

RICHMOND, VA.,
June 13, 1865.

His Excellency ANDREW JOHNSON,
President of the United States

SIR: Being excluded from the provisions of the amnesty and pardon contained in the proclamation of the 29th ult., I hereby apply for the benefits and full restoration of all rights and privileges extended to those included in its terms. I graduated at the Military Academy at West Point in June, 1829; resigned from the United States Army, April, 1861; was a general in the Confederate Army, and included in the surrender of the Army of Northern Virginia, April 9, 1865. I have the honor to be, very respectfully,

Your obedient servant,

R. E. LEE.

He also wrote to General Grant asking that his application for pardon be forwarded by him to the President:

RICHMOND, VA.,
June 13, 1865.

Lieutenant-General U. S. GRANT,
Commanding the Armies of the United States

GENERAL: Upon reading the President's proclamation of the 29th ult., I came to Richmond to ascertain what was proper or required of me to do, when I learned that, with others, I was to be indicted for treason by the grand jury at Norfolk. I had supposed that the officers and men of the Army of Northern Virginia were, by the terms of their surrender, protected by the United States Government from molestation so long as they conformed to its conditions. I am ready to meet any charges that may be preferred against me, and do not wish to avoid trial; but, if I am correct as to the protection granted by my parole, and am not to be prosecuted, I desire to comply with the provisions of the President's proclamation, and, therefore, inclose the required application, which I request, in that event, may be acted on. I am, with great respect,

Your obedient servant,

R. E. LEE.

There are many explanations of the reason why General Lee did not include an oath of amnesty with his letter. It was not clear from President Johnson's proclamation that such an oath should accompany a special application, and the entire proclamation was evidently not fully reported in the press. In any event, it was some little time before he became aware that his oath was necessary.

It should also be pointed out that in addition to the first amnesty proclamation, President Johnson issued subsequent proclamations on September 7, 1867, and on July 4, 1868, and in both instances General Lee was among those ex-

cluded from the general amnesty provisions, but the special provisions for Presidential pardon for individually excepted cases remained.

Returning now to the time that General Lee made application to the President for amnesty, on June 13, 1865, we know that the letter was forwarded by General Grant to the President of the United States with his favorable and enthusiastic recommendation.

General Lee had a number of opportunities to advance himself both economically and politically at the end of the War Between the States, but he chose to accept the offer to become president of Washington College in Lexington, Va. This was a small college virtually bankrupt at the time, as were all southern educational institutions at the end of the war. Lee strongly believed that improved education and hard work were the most appropriate ways for the South to return to its greatness.

He was inaugurated at Washington College on October 2, 1865. We now know that, on that same day, he executed an oath of amnesty on a printed form before a notary public in Lexington, Va., which satisfied all the requirements of the law.

This oath reads as follows:

I, Robert E. Lee of Lexington, Virginia, do solemnly swear, in the presence of Almighty God, that I will henceforth faithfully support, protect, and defend the Constitution of the United States, and the Union of the States thereunder, and that I will, in like manner, abide by and faithfully support all laws and proclamations which have been made during the existing rebellion with reference to the emancipation of slaves, so help me God.

(Signed) R. E. LEE.

Apparently, the oath itself was promptly forwarded to the War Department, but was lost among Lee's papers. Over 100 years later, in 1970 the oath of amnesty was rediscovered, and that is the basis for this legislation.

Following President Johnson's proclamation of July 4, 1868, the Congress of the United States adopted the 14th amendment, the third section of which reads as follows:

Section 3. No person shall be a Senator or Representative in Congress, or elector of President and Vice President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may by a vote of two-thirds of each House, remove such disabiltiy.

It is perfectly clear that the disability imposed by this section prevented General Lee from obtaining the right of a citizen of the United States to hold public office.

On December 25, 1868, President Johnson executed his last proclamation, restoring the right of citizenship to all persons who had participated on the side of the Confederacy during the War Between the States. The effect of this proclamation was to restore to General Lee all rights of citizenship, except for the disabilities reserved by the 14th amendment.

On June 8, 1898, the Congress of the United States approved legislation by two-thirds vote which extended clemency under the third section of the 14th amendment to all persons who had fought in the War Between the States.

Unfortunately, this congressional action had no posthumous effect, and the death of General Lee had intervened on the 12th day of October 1870.

Thus we have an expression of President Andrew Johnson on December 25, 1868, that the rights of all persons should be reinstated, but foreclosed by adoption of the 14th amendment; an expression by the Congress of the United States on June 8, 1898, that the rights of all persons who had fought on the side of the Confederacy should be restored to full rights of citizenship, but foreclosed by the prior death of General Lee; and, of course, the strong expression of General Grant in forwarding Lee's request to President Johnson, who himself became President of the United States during the lifetime of General Lee. So it is purely by accident that General Robert E. Lee was not earlier restored to all rights of citizenship, including the failure of the War Department to properly handle his timely amnesty oath and the lack of timely action by the Congress and by the President.

Upon the discovery of the oath of amnesty in 1970, Senator HARRY F. BYRD, JR., and the remainder of the Virginia delegation wrote to the President of the United States and asked him if it was not now possible to pardon Robert E. Lee and restore all his rights of citizenship.

The opinion of the President's Counsel, dated April 14, 1971, makes clear that the intervention of the 14th amendment relieved the President of the opportunity to provide this relief for General Lee, and invited congressional action. This is the basis of the legislation before us.

I appreciate greatly the work of Senator HARRY BYRD, who has been the chief sponsor of this legislation in the Senate of the United States, and has brought it successfully to this point.

Virginians have a great heritage and perhaps a tendency to be preoccupied with it. But I do not doubt that, of all those whom we are privileged to call our own—and I do not exclude George Washington, Thomas Jefferson, John Marshall, Sam Houston or Woodrow Wilson—Robert E. Lee is revered above all others in the Commonwealth.

It is easy to assume that the high regard in which he is still held is a tribute to the military genius who led and inspired his outnumbered forces so brilliantly during so many difficult years. It is almost unfortunate, however, that his military genius is so celebrated.

For that which distinguishes this man from others is not his military career, but his personal character—almost unique among mortals! I do not recall reading of a single derogatory personal reference to him. He was respected by his foes and revered by his own army. His tremendous self-discipline and devotion to duty are well known; of unquestioned integrity, he was gentle, humble and considerate. There was no bitterness for him in the defeat of his army—only compassion for those whom he had led and whose loyalty was unswering; and a recognition in defeat of example that was his.

Robert Edward Lee was as fine an example of Christian gentleman as this Nation has produced. I am tremendously proud that his last resting place is at the Lee Chapel of Washington and Lee University in Lexington, Va., which I am privileged to represent in the Congress.

I hope that this body will see fit to remove all disabilities from his American citizenship.

I think the most appropriate way to express why this legislation is now necessary is a tribute prepared for me by Dr. Genevieve D. de Chellis, a naturalized American citizen and great admirer of General Lee. This tribute follows:

ROBERT EDWARD LEE—FULL CITIZEN

Lee is a name that is a part of Virginia and Virginia is a part of the United States.

It is one of the original States.

But there are some today who identify Robert E. Lee with the history and traditions of Virginia and still dissociate him as it were, from the rest of the United States.

And technically at least, they are right.

Robert E. Lee is indeed a man set apart from his country.

For as Douglas Freeman writes: "He did not die disfranchised in the strict sense of the word" . . . "but he did end his days disbarred from office" . . .

Today more than a hundred years after his death, this right to hold office and therefore full citizenship has yet to be restored posthumously to Lee and thus for him the effects of the Civil War endure.

Some may consider it immaterial whether or not all rights of citizenship are restored to Lee.

They view this as a minor technicality which cannot affect the stature of the man one way or another.

But it is in fact much more than a technicality.

The virtual legal separation of Lee from the community of United States citizens eligible for office is symbolic of an enduring penalty paid by a great man for a choice of allegiance he once made in good faith.

And as such it is also an abiding symbol of former disunity and therefore should be effaced as soon as possible.

Moreover it creates a dangerous precedent.

If such enduring severity was shown to a man like Lee, what treatment can lesser people expect?

And if Robert E. Lee is not worthy to be a U.S. citizen, then who is?

There are some who even today cannot forget the Civil War.

Their families have remembered the heartbreak, suffering and devastations that were caused by this war.

Today more than ever we need all the unity we can achieve and no aspect of discord is too insignificant to be ignored.

Whatever the causes and consequences of a cruel and now ancient war—and no war is more cruel or leaves more bitter and lasting resentment than does a civil war—the past cannot be lived again.

Only the future holds promise and this cannot be realized with divisions.

The descendants of those who fought on both sides of the Civil War have fought side by side in two world wars.

On foreign battlefields and beachheads, who among them cared to remember past differences?

And for the populations that welcomed American troops as allies or as liberators, there were no Southerners and no Northerners, there were only Americans.

Let us therefore honor the dead and let us express our hope in the living and in their children.

In these days when heroes are hard to come by, and the passions of past wars are being gradually stilled, let us see our real heroes as they truly were, formidable in war, admirable in victory as well as in defeat.

Today we are extremely conscious of man's civil rights, of his freedom to follow the dictates of his conscience.

Perhaps more than most, Robert E. Lee lived according to the dictates of his conscience.

Agonized soul-searching led him to make a choice he felt to be the only one possible for him as a Virginian.

But when the war was over Lee called for unity.

"Forget all these animosities" he wrote to a mother, "and raise your sons to be Americans."

And in his last years spent as president of the Washington College in Lexington, Virginia, he never forgot this objective.

Now that all the United States and more particularly the original States are busily preparing to celebrate the Bicentennial, is it not the time to efface yet another memento of past division by a symbolic, eloquent gesture of unification?

Is this not the time to restore at last all the privileges of the United States citizenship to Robert E. Lee?

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. EILBERG) that the House suspend the rules and pass the Senate joint resolution, (S.J. Res. 23).

The question was taken.

Mr. CONYERS. 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. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from Michigan withdraw his point of order of no quorum?

Mr. CONYERS. Mr. Speaker, I withdraw my point of order of no quorum.

MANDATORY CIVIL SERVICE RETIREMENT AT AGE 70 WITH 5 YEARS' SERVICE

Mr. WHITE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 504) to amend subchapter III of chapter 83 of title 5, United States Code, to provide for mandatory retirement of employees upon attainment of 70 years of age and completion of 5 years of service, and for other purposes.

The Clerk read as follows:

H.R. 504

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8335(a) of title 5, United States Code, is amended by adding at the end thereof the following new sentence: "In the case of an employee appointed, or reappointed after a break in service of more than 3 calendar days, after December 31, 1975, this section applies when he becomes 70 years of age and completes 5 years of service."

(b) Section 8335(b) of title 5, United States Code, is amended by striking out "until 60 days after he is so notified" and inserting in lieu thereof "until the last day of the month in which the 60-day notice expires".

SEC. 2. Section 8706(b) of title 5, United States Code, is amended—

(1) by deleting the word "or" after paragraph (1);

(2) by inserting the word "or" after paragraph (2); and

(3) by inserting the following new paragraph after paragraph (2):

"(3) after December 31, 1980, he has completed 5 years of creditable civilian service as determined by the Commission;".

SEC. 3. Section 8901(3)(A) of title 5, United States Code, is amended by striking out "Government, after 12 or more years of service or for disability;" and inserting in lieu thereof the following: "Government—

"(i) after 12 years of creditable service;

"(ii) for disability; or

"(iii) after December 31, 1980, after 5 years of creditable srevice;".

The SPEAKER. Is a second demanded?

Mr. TAYLOR of Missouri. Mr. Speaker, I demand a second.

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

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. WHITE) is recognized for 20 minutes, and the gentleman from Missouri (Mr. TAYLOR) is recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. WHITE).

GENERAL LEAVE

Mr. WHITE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 504, the bill under consideration.

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

There was no objection.

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

Mr. Speaker, with one exception, H.R. 504 is identical to the bill, H.R. 3798, which was approved unanimously by this committee and by the House during the last Congress.

The primary purpose of this legislation is to reduce from 15 to 5 years the requirement for mandatory retirement under the civil service retirement law.

Under the existing law, an employee who reaches age 70 must retire if he has completed 15 years of service. If he has not completed 15 years of service at age 70, he continues to serve until he meets the service requirement. This is considered by many as a disincentive to the hiring of people 55 years of age or older.

The passage of this bill should, therefore, alleviate the present disincentives and encourage the hiring of people 55 or older.

This bill also proposes to amend existing law to reduce from 12 to 5 years the length of service required by a retiring employee to retain his group life insurance and health benefits during retirement.

Since the amendments proposed by this bill will not become operative until 5 years after enactment, there will be no additional cost to the Government during the first 5 years. Thereafter, the additional costs will be negligible, as shown in the committee report.

Mr. TAYLOR of Missouri. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 504 is based upon an official recommendation of the Civil Service Commission submitted to the 93d Congress. It was approved by the Subcommittee on Retirement and Employee Benefits and our Full Post Office and Civil Service Committee on a unanimous voice vote.

A similar bill passed the House on the Consent Calendar in 1973, but no action was taken by the Senate.

The bill, quite simply, recognizes the need for the Federal Government to operate with a work-force capable of operating at peak efficiency, and the need for employees to be able to retire at age 70 with 5 years of service without the loss of group life and health insurance protection.

Mr. Speaker, the present law is deficient in that it requires an employee to be employed by the Federal Government 12 years to qualify for continued group life and health insurance benefits. This requirement virtually forces an employee to remain on the payroll and, therefore, in many cases work beyond age 70.

It is evident that this requirement works to the disadvantage of both the employee and the Federal Government.

Contrary to some opinion, this measure does not establish either the precedent or principle of mandatory retirement. The present law already requires mandatory retirement at age 70 with 15 years of service. This measure is merely making it possible for those employees who are age 70 with 5 years of service to retire and be entitled to continue their group life and health insurance programs into retirement.

I strongly urge passage of this legislation.

Mr. WHITE. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. HARRIS).

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

Mr. HARRIS. I yield to the gentleman from South Carolina.

Mr. JENRETTE. Mr. Speaker, I rise in support of the bill.

Mr. Speaker, under the present retirement law, older workers who have a lifetime of experience to offer are discouraged from serving the Federal Government. It is not only a gross underestimation of the worth of these employees, but a loss of a valuable portion of the labor force to maintain a retirement program that discriminates on the basis of age.

As it now stands, a person must serve 15 years before he can retire. For those who join the Federal service later in life, this means working well past age 70, or else be penalized by loss of health and insurance benefits. I do not believe the Federal Government should penalize older workers. Rather, they should be allowed a fair return commensurate with the contribution they make to their country.

The bill before us today, H.R. 504, offers such a return. By reducing the

mandatory service requirement from 15 to 5 years, workers past age 55 can enlist in the Federal service without suffering a loss of well-deserved benefits. It is my firm conviction that employees demonstrating competence in their work should early gain vested rights in retirement and other benefits. For older employees, coming to the Federal Government with backgrounds rich in life and career experience, 5 years of creditable service is certainly ample demonstration.

For too long the private sector has attracted highly qualified individuals because a reasonable retirement program with the Federal Government was nonexistent. It is time to reverse this situation. If we enact this legislation now, we can standardize the retirement age for Federal employees, while utilizing our labor potential to the optimum.

Mr. Speaker, I am pleased to support a bill which will go far in making the retirement, life insurance, and health benefits laws speak to the needs of both the Government and its employees.

Mr. HARRIS. Mr. Speaker, I rise in support of this legislation.

I think that as the gentleman from Missouri (Mr. TAYLOR) indicates, this is pretty important legislation, although I think it is routine legislation that should be adopted by this House without too much difficulty.

I think it rectifies a serious injustice. We are talking about the elderly here, and we are talking about those who are seriously discriminated against, because of their age. The fact of the matter is that a person looking for employment, who may be 60 or 65 years old, because of the force of law is being discriminated against since the person who is going to hire such an individual knows that the individual has to stay on until 75 or 80 in order for him to qualify for mandatory retirement and continue his benefits.

This is wrong. It is not the correct way to treat the senior citizen. This law does not change—I would like to emphasize this—the mandatory retirement requirements in the law in any way. Those are in the law. That is what we have now.

The question is, Can it apply after 5 years rather than 15 years? That is the only question that this bill presents to the House.

Mr. Speaker, certainly, as a matter of simple justice, a person arriving at his 70th birthday ought to be able to retire and at the same time retain his benefits. Mandatory retirement works a real injustice unless we make this very simple change.

The bill does no more than make this simple change. I would urge the Members of the House to pass this bill and return equity and justice to our senior citizens.

Mr. DERWINSKI. Mr. Speaker, I will not oppose this legislation, but I would like to share with my colleagues my views on compulsory retirement, as expressed in the committee rport.

While I am willing to accept the notion of the Civil Service Commission that this legislation will somehow dissolve the reluctance of Federal agencies to hire persons who have reached their 55th birthday, I still have philosophic reservations about compulsory retirement as such.

Under existing law, Federal employees who reach age 70 face mandatory retirement if they have at least 15 years' service. If not, they may continue to be employed until they complete 15 years' service, and then they are mandatorily retired.

This legislation would require mandatory retirement of persons at age 70 with 5 years' service, or as soon thereafter as they complete 5 years' service.

It was stated in our subcommittee hearings that there is presently a trend in the private sector toward earlier retirement ages, both in the mandatory and normal retirement area. But I wonder if this is a satisfactory trend.

An article by Dr. Erdman Palmore, of Duke University Medical Center, in the winter 1972 issue of Gerontologist, pointed out that age, as the sole criteria for compulsory retirement, is not an accurate indicator of abilities because of the wide variation in the abilities of aged persons.

A study in the early 1950's by the National Conference on Retirement of Older Workers concluded that: "Both science and experience indicate that the aging process and its effects show such a wide variance among individuals as to destroy the logic of age as the sole factor in determining whether a person should retire or continue to work."

And, a more recent study by the Gerontological Society stated that "age limitations for employment are both socially and economically wasteful, since chronological age is rarely a reliable index of potential performance."

I agree with this line of thought. I think that a mandatory retirement system based on age tends to diminish the effectiveness of a true civil service merit system. However, because this legislation is a modification of a law which has been on the books many years, I realize the futility of challenging the basic law.

Therefore, I urge our committee to exercise its oversight responsibilities in the area of mandatory retirement to insure that this amendment to the retirement law does not have any adverse effect, and also to insure that discriminatory hiring practices are not taking place in Federal agencies.

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

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. WHITE) that the House suspend the rules and pass the bill H.R. 504.

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

A motion to reconsider was laid on the table.

INSURABLE INTEREST ANNUITIES

Mr. WHITE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7053) to amend chapter 83 of title 5, United States Code, to eliminate, subsequent to the death of an individual named as having an insurable interest, the annuity reduction made in order to provide a survivor annuity for such an individual.

The Clerk read as follows:

H.R. 7053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8339(k)(1) of title 5, United States Code, is amended by adding at the end thereof the following: "An annuity which is reduced under this paragraph or any similar prior provision of law shall, effective the first day of the month following the death of the individual named under this paragraph, be recomputed and paid as if the annuity had not been so reduced.".

SEC. 2. The amendment made by this Act shall apply to annuities which commence before, on, or after the date of enactment of this Act, but no increase in annuity shall be paid for any period prior to July 1, 1975.

The SPEAKER. Is a second demanded?

Mr. TAYLOR of Missouri. Mr. Speaker, I demand a second.

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

There was no objection.

The SPEAKER. The gentleman from Texas (Mr. WHITE) will be recognized for 20 minutes, and the gentleman from Missouri (Mr. TAYLOR) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. WHITE).

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

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill H.R. 7053, now under consideration.

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

There was no objection.

Mr. WHITE. Mr. Speaker, H.R. 7053 corrects an unintended inequity in the civil service retirement system established by Public Law 93-474.

During the 93d Congress, Public Law 93-474 amended section 8339(j) of title 5 United States Code so as to eliminate for any month during which an annuitant is not married the reduction in annuity that a retiring employee or member accepts upon retirement in order to provide survivor benefits for his or her spouse. If the annuitant subsequently remarries, his or her annuity will be reduced by the same percentage reductions which were in effect at the time of retirement. This law left out the single retiree with an insurable interest.

The primary function of this legislation, H.R. 7053, is to give the single Federal civil service annuitant the same benefit that a married annuitant has of having his or her full annuity restored to him or her upon the death of an individual for whom the single retiree had provided a survivor benefit.

The number of annuitants who would be affected by enactment of H.R. 7053 is comparatively small. As or June 30, 1974, there were 1,563 individuals on the

annuity rolls who had elected an "insurable interest" survivor. While neither I nor the commission know how many of the elected survivors have predeceased the annuitants, it is estimated that enactment of H.R. 7053 would increase the unfunded liability of the civil service retirement system by an estimated $6.8 million. This would be amortized by 30 equal annual payments of $420,000.

Under the circumstances, it does not appear equitable to eliminate the annuity reduction for married annuitants who may have been paying only a fraction of the cost of the survivor benefit, and deny similar relief to the single annuitant, who has been paying—and under present law must continue to pay—full cost of a benefit which, because of the death of the elected insurable interest survivor, can never be paid.

Mr. TAYLOR of Missouri. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 7053, a bill to eliminate the annuity reduction, taken in order to provide an "insurable interest" survivor annuity when the elected survivor predeceases the annuitant.

This legislation simply provides equal treatment under the law to unmarried annuitants, just as we presently extend to married annuitants. In enacting Public Law 93–474, which restored a full annuity to an annuitant whose spouse had predeceased him or her, we omitted extending this provision to unmarried annuitants who elect to provide a survivorship benefit to an individual having an insurable interest.

The record shows that individuals so elected are most often dependent relatives such as parents, brothers, sisters, or children who become disabled after age 18. The Civil Service Commission testified that approximately 20 percent of the "insurable interests" on the books have already predeceased the annuitant.

Since the reduction for providing this benefit is approximately equal to the actuarial cost of providing the benefit, which is not the case with a married annuitant, I think it is appropriate to perfect the law to extend this benefit to unmarried annuitants.

Mr. Speaker, since the 93d Congress determined that it was good policy to restore an annuity reduction to a married annuitant, it appears that we in the 94th Congress can do no less than to extend the same benefit to unmarried annuitants.

I urge prompt approval of this bill.

Mr. WHITE. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Speaker, when Public Law 93–474 was passed in the last Congress, it failed to include a provision to eliminate an annuity reduction when an insurable interest survivor predeceases the annuitant. I believe this simply is attributable to an oversight on the part of the committee and on the part of Congress. Obviously, it is inequitable to eliminate the annuity reduction for one group of annuitants who pay only a fraction of the cost of the survivor's benefit, that is, the benefit for a surviving spouse, and deny similar relief to another group of annuitants who pay the full actuarial cost of the benefit, that is, the benefit of an insurable interest survivor.

The committee approved this unanimously, and I believe that the House should approve it unanimously.

Mr. JENRETTE. Mr. Speaker, I rise in support of H.R. 7053 and, by so doing, wholeheartedly show my full backing for the elimination of all inequities within our laws that discriminate in any way against the single individual—especially those who after a lifetime of hard work, in which, in most cases, they have more than honorably served their Government, have achieved the fruits of a justly earned retirement.

As a member of the House Retirement and Employee Benefits Subcommittee and a cosponsor of this landmark legislation, H.R. 7053, I have not only heard but have read the testimony pro and con on this bill time and again; and I can assure the distinguished Members of this body that equity calls, nay demands, the passage of this legislation, if we are at all serious in our comments on elimination of unjust inequities in whatever manner we may find them. This is particularly true here, for H.R. 7053 would correct an inequity within our retirement system, which discriminates against the economic well-being of all single retirees who decide to provide a benefit for an insurable interest, which in most cases, according to testimony elicited by the subcommittee, is a mother, or a brother, or an involved relative.

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

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. WHITE) that the House suspend the rules and pass the bill H.R. 7053.

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

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on the motion on which further proceedings were postponed.

The vote will be taken on the Senate joint resolution (S.J. Res. 23).

The unfinished business is the question of suspending the rules and passing the Senate joint resolution (S.J. Res. 23).

The Clerk read the title of the Senate joint resolution.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. EILBERG) that the House suspend the rules and pass the Senate joint resolution (S.J. Res. 23).

The question was taken.

Mr. CONYERS. 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 407, nays 10, not voting 17, as follows:

[Roll No. 415]

YEAS—407

Abdnor	Drinan	Jones, Okla.
Adams	Duncan, Oreg.	Jones, Tenn.
Addabbo	Duncan, Tenn.	Jordan
Alexander	du Pont	Karth
Ambro	Early	Kasten
Anderson, Calif.	Eckhardt	Kastenmeier
	Edgar	Kazen
Anderson, Ill.	Edwards, Ala.	Kelly
Andrews, N.C.	Edwards, Calif.	Kemp
Andrews, N. Dak.	Eilberg	Ketchum
	Emery	Kindness
Annunzio	English	Keys
Archer	Erlenborn	Koch
Armstrong	Esch	Krebs
Ashbrook	Eshleman	Krueger
Ashley	Evans, Colo.	LaFalce
Aspin	Evans, Ind.	Lagomarsino
AuCoin	Evins, Tenn.	Landrum
Badillo	Fary	Latta
Bafalis	Fascell	Leggett
Baldus	Fenwick	Lehman
Barrett	Findley	Lent
Baucus	Fish	Levitas
Bauman	Fisher	Lloyd, Calif.
Beard, R.I.	Fithian	Lloyd, Tenn.
Beard, Tenn.	Flood	Long, La.
Bedell	Florio	Long, Md.
Bell	Flowers	Lott
Bennett	Flynt	Lujan
Bergland	Foley	McClory
Bevill	Ford, Mich.	McCloskey
Biaggi	Ford, Tenn.	McCollister
Biester	Forsythe	McCormack
Bingham	Fountain	McDade
Blanchard	Fraser	McDonald
Blouin	Frenzel	McEwen
Boggs	Frey	McFall
Boland	Fulton	McHugh
Bonker	Fuqua	McKay
Bowen	Gaydos	McKinney
Brademas	Giaimo	Madden
Breaux	Gibbons	Madigan
Breckinridge	Gilman	Maguire
Brinkley	Ginn	Mahon
Brodhead	Goldwater	Mann
Brooks	Gonzalez	Martin
Broomfield	Goodling	Mathis
Brown, Mich.	Gradison	Mazzoli
Brown, Ohio	Grassley	Meeds
Broyhill	Green	Melcher
Buchanan	Gude	Metcalfe
Burgener	Guyer	Meyner
Burke, Fla.	Hagedorn	Mezvinsky
Burke, Mass.	Haley	Michel
Burleson, Tex.	Hall	Mikva
Burlison, Mo.	Hamilton	Milford
Burton, Phillip	Hammer-schmidt	Miller, Ohio
Butler		Mills
Byron	Hanley	Mineta
Carney	Hannaford	Minish
Carter	Hansen	Mitchell, Md.
Casey	Harkin	Mitchell, N.Y.
Cederberg	Harrington	Moakley
Chappell	Harris	Moffett
Chisholm	Harsha	Mollohan
Clancy	Hastings	Montgomery
Clawson, Del	Hayes, Ind.	Moore
Clay	Hays, Ohio	Moorhead, Calif.
Cleveland	Hébert	
Cochran	Hechler, W. Va.	Moorhead, Pa.
Cohen	Heckler, Mass.	Morgan
Collins, Ill.	Hefner	Mosher
Collins, Tex.	Heinz	Moss
Conable	Helstoski	Mottl
Conlan	Henderson	Murphy, Ill.
Conte	Hicks	Murphy, N.Y.
Corman	Hightower	Murtha
Cornell	Hillis	Myers, Ind.
Cotter	Holland	Myers, Pa.
Coughlin	Holt	Natcher
Crane	Horton	Neal
D'Amours	Howard	Nedzi
Daniel, R. W.	Howe	Nichols
Daniels, N.J.	Hubbard	Nix
Danielson	Hughes	Nolan
Davis	Hungate	Nowak
de la Garza	Hutchinson	Oberstar
Delaney	Hyde	Obey
Dent	Ichord	O'Brien
Derrick	Jacobs	O'Neill
Derwinski	Jarman	Ottinger
Devine	Jenrette	Passman
Dickinson	Johnson, Calif.	Patten, N.J.
Dingell	Johnson, Colo.	Patterson, Calif.
Dodd	Johnson, Pa.	
Downey, N.Y.	Jones, Ala.	Pattison, N.Y.
Downing, Va.	Jones, N.C.	Pepper

Perkins	Santini	Taylor, Mo.
Pettis	Sarasin	Taylor, N.C.
Peyser	Sarbanes	Thompson
Pickle	Satterfield	Thone
Pike	Schneebeli	Thornton
Poage	Schroeder	Traxler
Pressler	Schulze	Treen
Preyer	Sebelius	Tsongas
Price	Seiberling	Udall
Pritchard	Sharp	Ullman
Quie	Shipley	Van Deerlin
Quillen	Shriver	Vander Jagt
Railsback	Shuster	Vander Veen
Randall	Sikes	Vanik
Rangel	Simon	Vigorito
Rees	Sisk	Waggonner
Regula	Skubitz	Walsh
Reuss	Slack	Wampler
Rhodes	Smith, Iowa	Waxman
Richmond	Smith, Nebr.	Weaver
Riegle	Snyder	Whalen
Rinaldo	Solarz	White
Risenhoover	Spellman	Whitehurst
Roberts	Spence	Whitten
Robinson	Staggers	Wiggins
Rodino	Stanton,	Wilson, Bob
Roe	J. William	Wilson, Tex.
Rogers	Stanton,	Winn
Roncalio	James V.	Wirth
Rooney	Steed	Wolff
Rose	Steelman	Wright
Rosenthal	Steiger, Ariz.	Wydler
Rostenkowski	Stephens	Wylie
Roush	Stokes	Yates
Rousselot	Stratton	Yatron
Roybal	Stuckey	Young, Alaska
Runnels	Studds	Young, Fla.
Ruppe	Sullivan	Young, Ga.
Russo	Symington	Young, Tex.
Ryan	Symms	Zablocki
St Germain	Talcott	Zeferetti

NAYS—10

Abzug	Hawkins	Scheuer
Carr	Holtzman	Stark
Conyers	Jeffords	
Dellums	Miller, Calif.	

NOT VOTING—17

Bolling	Diggs	Patman, Tex.
Brown, Calif.	Hinshaw	Steiger, Wis.
Burke, Calif.	Litton	Teague
Burton, John	Macdonald	Wilson, C. H.
Clausen, Don H.	Matsunaga	
Daniel, Dan	Mink	
	O'Hara	

So the Senate joint resolution was passed.

The Clerk announced the following pairs:

Mrs. Mink with Mrs. Burke of California.

Mr. O'Hara with Mr. Don H. Clausen.

Mr. Matsunaga with Mr. Brown of California.

Mr. Patman with Mr. Dan Daniel.

Mr. Teague with Mr. Hinshaw.

Mr. Charles H. Wilson of California with Mr. Diggs.

Mr. Macdonald of Massachusetts with Mr. Litton.

Mr. John Burton with Mr. Steiger of Wisconsin.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution just passed.

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

There was no objection.

MAKING APPROPRIATIONS FOR LEGISLATIVE BRANCH

Mr. CASEY. Mr. Speaker, I call up the conference report on the bill (H.R. 6950) making appropriations for the legislative branch for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see Proceedings of the House of July 17, 1975.)

Mr. CASEY (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 Texas?

There was no objection.

Mr. CASEY. Mr. Speaker, the conference agreement provides appropriations totaling $827,546,570 for fiscal year 1976 ending June 30, 1976, and $207,391,365 for the transition period ending September 30, 1976. The 1976 allowance as agreed to is $59,853,742 above the fiscal year 1975 appropriation level and $10,718,855 below the budget estimates. The conference total is $129,469,770 over the House bill for 1976. However, this amount includes $126,963,875 for Senate items not considered by the House. Traditionally the Senate items are left for decision and insertion by the other body. Similarly the Senate does not act on our housekeeping items. Appropriations for two new commissions not considered by the House were also agreed to—$1,500,000 for the American Indian Policy Review Commission and $337,000 for the National Commission on New Technological Uses of Copyrighted Works.

The conference agreement is $2,244,085 above the Senate bill. This is a net increase due to the restoration of funds deleted by the Senate in connection with the distribution of Federal Register publications by the Superintendent of Documents. The Public Printer proposed a special subsidy for this program inasmuch as the sales price does not cover actual costs. The Senate did not concur in this proposal. Pricing of these publications is under the jurisdiction of the Administrative Committee of the Federal Register. The conferees were of the opinion that they should be priced so as to recover costs. As revenues from sales accrue to the general fund of the Treasury rather than to the Superintendent of Documents it was necessary to restore the funds eliminated to enable the orderly continuation of service. Excluding the restoration of $3,515,700 just referred to, the conference allowance is $1,271,615 below the Senate bill.

Various increases and decreases were agreed to throughout the bill. A total of $1,168,000 will be available for the Joint Economic Committee during 1976, and $6,050,000 was agreed to for the Office of Technology Assessment along with the reappropriation of $435,000 from 1975 appropriations for projects currently underway. The proposal to rent office space for OTA was deleted. A number of additional positions were agreed to for the Library of Congress, including 25 above the House allowance for the Congressional Research Service in the area of policy analysis and research.

The proposal of the Senate to repeal the section of the statutes providing for deductions of salary for absence of Senators and Members of the House was deleted. The conference agreement includes a provision freezing the salaries of House and Senate pages to the rates in effect on June 30, 1975. The language inserted by the Senate directing the Architect to study and develop a plan to reduce the number of operators on elevators throughout the Capitol complex was also agreed to.

Mr. Speaker, these are the major items in this conference report which has been printed in the RECORD and made available to the Members. Under leave to extend my remarks, I will insert a tabulation in the RECORD summarizing the amounts agreed to in conference.

The tabulation follows:

LEGISLATIVE BRANCH APPROPRIATION BILL, 1976 (H.R. 6950)

CONFERENCE SUMMARY

Agency and item	New budget (obligational) authority, fiscal year 1975 [1]	Budget estimates of new (obligational) authority, fiscal year 1976 and transition period [2]	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with— New budget (obligational) authority, fiscal year 1975	Budget estimates of new (obligational) authority fiscal year 1976 and transition period	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Senate	$107,433,569	$119,106,885	----------	$118,836,575	$118,836,575	+$11,403,006	−$270,310	+$118,836,575	----------
Transition period		29,880,510	----------	29,825,510	29,825,510	----------	−55,000	+29,825,510	----------
House of Representatives	185,546,445	206,322,485	$206,407,485	206,407,485	206,407,485	+20,861,040	+85,000	----------	----------
Transition period		50,690,750	50,690,750	50,690,750	50,690,750	----------	----------	----------	----------
Joint items	45,770,214	55,522,255	53,581,415	54,712,725	54,796,110	+9,025,896	−726,145	+1,214,695	+$83,385
Transition period		13,653,855	13,351,955	13,554,055	13,574,905	----------	−78,950	+222,950	+20,850
Office of Technology Assessment	4,696,000	6,500,000	5,600,000	6,935,000	6,485,000	+1,789,000	−15,000	+885,000	−450,000
Transition period		1,625,000	1,400,000	1,625,000	1,512,000	----------	−113,000	+112,000	−113,000

LEGISLATIVE BRANCH APPROPRIATION BILL, 1976 (H.R. 6950)

CONFERENCE SUMMARY

Agency and item	New budget (obligational) authority, fiscal year 1975 [1]	Budget estimates of new (obligational) authority fiscal year 1976 and transition period [2]	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	Conference action compared with— New budget (obligational) authority fiscal year 1975	Budget estimates of new (obligational) authority fiscal year 1976 and transition period [2]	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Architect of the Capitol	68,756,600	42,887,100	32,671,800	40,755,100	40,755,100	−28,001,500	−2,132,000	+8,083,300	
Transition period		9,883,000	7,811,250	9,858,000	9,858,000		−25,000	+2,046,750	
Botanic Garden	1,018,000	1,208,600	1,208,600	1,205,000	1,205,000	+187,000	−3,600	−3,600	
Transition period		297,000	297,000	297,000	297,000				
Library of Congress	98,790,000	120,052,100	115,134,800	117,135,600	116,230,600	+17,440,600	−3,821,500	+1,095,800	−905,000
Transition period		30,033,000	28,769,000	29,389,800	29,106,800		−926,200	+337,800	−283,000
Government Printing Office	129,065,000	145,476,000	145,265,700	141,750,000	145,265,700	+16,200,700	−210,300		+3,515,700
Transition period		36,369,000	36,316,400	35,437,000	36,316,400		−52,600		+879,400
General Accounting Office	124,989,000	139,540,000	136,565,000	135,930,000	135,930,000	+10,941,000	−3,610,000	−635,000	
Transition period		36,886,000	35,955,000	35,800,000	35,800,000		−1,086,000	−155,000	
Cost-Accounting Standards Board	1,628,000	1,650,000	1,642,000	1,635,000	1,635,000	+7,000	−15,000	−7,000	
Transition period		413,000	410,000	410,000	410,000		−3,000		
Grand total, new budget (obligational) authority	767,692,828	838,265,425	698,076,800	825,302,485	827,546,570	+59,853,742	−10,718,855	+129,469,770	+2,244,085
Transition period		209,731,115	175,001,355	206,887,115	207,391,365		−2,339,750	+32,390,010	+504,250
Consisting of—									
1. Appropriations	765,651,128	836,893,925	696,930,300	823,495,985	825,740,070	+60,088,942	−11,153,855	+128,809,770	+2,244,085
Transition period		209,731,115	175,001,355	206,887,115	207,391,365		−2,339,750	+32,390,010	+504,250
2. Reappropriations	2,041,700	1,371,500	1,146,500	1,806,500	1,806,500	−235,200	+435,000	+660,000	
Appropriations to liquidate contract authorizations	(145,000)					(−145,000)			
Memorandum—									
1. Appropriations and reappropriations including appropriations for liquidation of contract authorizations	767,837,828	838,265,425	698,076,800	825,302,485	827,546,570	+59,708,742	−10,718,855	+129,469,770	+2,244,085
Transition period		209,731,115	175,001,355	206,887,115	207,391,365		−2,339,750	+32,390,010	+504,250

[1] Includes amounts in Second Supplemental Appropriations Act, 1975 (Public Law 94-32).
[2] Includes amendments totaling $21,497,000 in H. Docs. Nos. 94-102, 94-163, and 94-170, and S. Docs. Nos. 94-63 and 94-79.

Mr. COUGHLIN. Mr. Speaker, the minority very much concurs with the position of the chairman of the subcommittee, the gentleman from Texas (Mr. CASEY). I certainly congratulate him for the conference very substantially upheld the House position. It is under the budget figure, and I think the conference report should be voted upon favorably.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

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

Mr. BAUMAN. 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 374, nays 45, answered "present" 1, not voting 14, as follows:

[Roll No. 416]

YEAS—374

Abdnor	Anderson, Ill.	Aspin	Bedell	Cotter	Ford, Tenn.	Hungate	Melcher	Pickle
Abzug	Andrews, N.C.	AuCoin	Bell	Coughlin	Forsythe	Hutchinson	Metcalfe	Pike
Adams	Andrews, N. Dak.	Badillo	Bergland	D'Amours	Fountain	Hyde	Meyner	Poage
Addabbo	Annunzio	Baldus	Bevill	Daniel, Dan	Fraser	Ichord	Mezvinsky	Pressler
Alexander	Armstrong	Barrett	Biaggi	Daniel, R. W.	Frenzel	Jacobs	Mikva	Preyer
Anderson, Calif.	Ashley	Baucus	Biester	Daniels, N.J.	Frey	Jarman	Milford	Price
		Beard, R.I.	Bingham	Danielson	Fulton	Jenrette	Miller, Calif.	Pritchard
			Blanchard	Davis	Fuqua	Johnson, Calif.	Mills	Quie
			Blouin	de la Garza	Gaydos	Johnson, Colo.	Mineta	Quillen
			Boggs	Delaney	Giaimo	Johnson, Pa.	Minish	Railsback
			Bolling	Dellums	Gibbons	Jones, Ala.	Mitchell, Md.	Randall
			Bonker	Dent	Ginn	Jones, N.C.	Moakley	Rangel
			Bowen	Derrick	Goldwater	Jones, Tenn.	Moffett	Rees
			Brademas	Derwinski	Gonzalez	Jordan	Mollohan	Regula
			Breaux	Devine	Goodling	Kastenmeier	Montgomery	Reuss
			Breckinridge	Dickinson	Green	Kazen	Moore	Rhodes
			Brinkley	Diggs	Gude	Ketchum	Moorhead, Calif.	Richmond
			Brooks	Dingell	Guyer	Keys		Riegle
			Broomfield	Dodd	Hagedorn	Kindness	Moorhead, Pa.	Rinaldo
			Brown, Mich.	Downey, N.Y.	Haley	Koch	Morgan	Risenhoover
			Brown, Ohio	Downing, Va.	Hall	Krebs	Mosher	Roberts
			Buchanan	Drinan	Hamilton	Krueger	Moss	Robinson
			Burgener	Duncan, Oreg.	Hammer-schmidt	LaFalce	Mottl	Rodino
			Burke, Calif.	Duncan, Tenn.		Landrum	Murphy, Ill.	Roe
			Burke, Mass.	du Pont	Hanley	Leggett	Murphy, N.Y.	Rogers
			Burleson, Tex.	Early	Hannaford	Lehman	Murtha	Roncalio
			Burlison, Mo.	Eckhardt	Hansen	Lent	Myers, Ind.	Rooney
			Burton, John	Edgar	Harrington	Levitas	Myers, Pa.	Rose
			Burton, Phillip	Edwards, Ala.	Harris	Lloyd, Calif.	Natcher	Rosenthal
			Butler	Edwards, Calif.	Harsha	Lloyd, Tenn.	Neal	Rostenkowski
			Byron	Eilberg	Hastings	Long, La.	Nedzi	Roush
			Carney	Emery	Hawkins	Long, Md.	Nichols	Roybal
			Carr	English	Hayes, Ind.	Lott	Nix	Runnels
			Carter	Erlenborn	Hays, Ohio	Lujan	Nolan	Ruppe
			Casey	Eshleman	Hébert	McClory	Nowak	Russo
			Cederberg	Evans, Colo.	Heckler, Mass.	McCloskey	Oberstar	Ryan
			Chappell	Evans, Ind.	Hefner	McCormack	Obey	St Germain
			Chisholm	Evins, Tenn.	Heinz	McDade	O'Brien	Santini
			Clawson, Del	Fary	Helstoski	McEwen	O'Hara	Sarbanes
			Clay	Fascell	Henderson	McFall	O'Neill	Scheuer
			Cleveland	Findley	Hicks	McHugh	Ottinger	Schneebeli
			Cochran	Fish	Hightower	McKay	Passman	Sebelius
			Cohen	Fisher	Hillis	Madden	Patman, Tex.	Seiberling
			Collins, Ill.	Fithian	Holland	Madigan	Patten, N.J.	Sharp
			Conable	Flood	Holtzman	Maguire	Patterson, Calif.	Shipley
			Conlan	Florio	Horton	Mahon		Shriver
			Conte	Flowers	Howard	Mann	Pattison, N.Y.	Sikes
			Conyers	Flynt	Howe	Mathis	Pepper	Simon
			Corman	Foley	Hubbard	Mazzoli	Perkins	Sisk
			Cornell	Ford, Mich.	Hughes	Meeds	Peyser	Skubitz

Slack	Symington	Whalen
Smith, Iowa	Talcott	White
Snyder	Taylor, N.C.	Whitehurst
Solarz	Thompson	Whitten
Spellman	Thornton	Wiggins
Staggers	Traxler	Wilson, Bob
Stanton,	Treen	Wilson, C. H.
J. William	Tsongas	Wilson, Tex.
Stanton,	Udall	Wirth
James V.	Ullman	Wolff
Stark	Van Deerlin	Wright
Steed	Vander Jagt	Wydler
Steelman	Vander Veen	Wylie
Steiger, Ariz.	Vanik	Yates
Stephens	Vigorito	Yatron
Stokes	Waggonner	Young, Alaska
Stratton	Walsh	Young, Ga.
Stuckey	Wampler	Young, Tex.
Studds	Waxman	Zablocki
Sullivan	Weaver	Zeferetti

NAYS—45

Archer	Grassley	Miller, Ohio
Ashbrook	Harkin	Mitchell, N.Y.
Bafalis	Hechler, W. Va.	Rousselot
Bauman	Holt	Sarasin
Beard, Tenn.	Jeffords	Satterfield
Bennett	Jones, Okla.	Schroeder
Brodhead	Kasten	Schulze
Broyhill	Kelly	Shuster
Burke, Fla.	Kemp	Smith, Nebr.
Clancy	Lagomarsino	Spence
Collins, Tex.	Latta	Symms
Crane	McCollister	Taylor, Mo.
Fenwick	McDonald	Thone
Gilman	McKinney	Winn
Gradison	Martin	Young, Fla.

ANSWERED "PRESENT"—1

Pettis

NOT VOTING—14

Ambro	Esch	Matsunaga
Boland	Hinshaw	Michel
Brown, Calif.	Karth	Mink
Clausen,	Litton	Steiger, Wis.
Don H.	Macdonald	Teague

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Ambro with Mr. Brown of California.
Mr. Matsunaga with Mr. Esch.
Mrs. Mink with Mr. Michel.
Mr. Teague with Mr. Don H. Clausen.
Mr. Boland with Mr. Steiger of Wisconsin.
Mr. Karth with Mr. Hinshaw.
Mr. Litton with Mr. Macdonald of Massachusetts.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

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

Mr. CASEY. Mr. Speaker, inasmuch as amendments Nos. 1 through 35 relate solely to housekeeping operations of the other body in which, by practice, the House concurs without intervention, I ask unanimous consent that Senate amendments Nos. 1 through 35 be considered as read, printed in the RECORD, and that they be considered en bloc.

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

There was no objection.

The Senate amendments are as follows:

(1) TITLE 1

SENATE

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

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

For compensation and mileage of the Vice President and Senators of the United States, $4,809,240.

For "Compensation and Mileage of the Vice President and Senators of the United States" for the period July 1, 1976, through September 30, 1976, $1,205,000.

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

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

For "Expense allowance of the Vice President, $2,500; Majority Leader of the Senate, $750; and Minority Leader of the Senate, $750"; in all, for the period July 1, 1976, through September 30, 1976, $4,000.

(5) SALARIES, OFFICERS AND EMPLOYEES

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

(6) OFFICE OF THE VICE PRESIDENT

For clerical assistance to the Vice President, $584,065.

For "Office of the Vice President" for the period July 1, 1976, through September 30, 1976, $146,000.

(7) OFFICES OF THE MAJORITY AND MINORITY LEADERS

For offices of the Majority and Minority Leaders, $239,000: *Provided,* That, effective July 1, 1975, the Majority and Minority Leaders may each appoint and fix the compensation of an executive secretary at not to exceed $24,160 per annum in lieu of $20,838 per annum and a clerical assistant at not to exceed $20,838 per annum in lieu of $17,818 per annum.

For "Offices of the Majority and Minority Leaders" for the period July 1, 1976, through September 30, 1976, $60,000.

(8) OFFICES OF THE MAJORITY AND MINORITY WHIPS

For offices of the Majority and Minority Whips, $185,440: *Provided,* That, effective July 1, 1975, the Majority and Minority Whips may each appoint and fix the compensation of a legislative assistant at not to exceed $34,881 per annum.

For "Offices of the Majority and Minority Whips" for the period July 1, 1976, through September 30, 1976, $46,360.

(9) OFFICE OF THE CHAPLAIN

For Office of the Chaplain, $30,200.

For "Office of the Chaplain" for the period July 1, 1976, through September 30, 1976, $7,600.

(10) OFFICE OF THE SECRETARY

For Office of the Secretary, $3,064,575, including $216,530 required for the purpose specified and authorized by section 74b of title 2, United States Code: *Provided,* That, effective July 1, 1975, the Secretary may appoint and fix the compensation of a clerk, legislative information, at not to exceed $18,120 per annum and five clerks, stationery room, at not to exceed $12,382 per annum each in lieu of four clerks, stationery room, at not to exceed $12,382 per annum each; and the Secretary may fix the per annum compensation of the editor, digest, at not to exceed $33,522 per annum in lieu of $28,992 per annum; a clerk, digest, at not to exceed $14,194 per annum in lieu of $11,778 per annum; a bill clerk at not to exceed $18,120 per annum in lieu of $15,402 per annum; an assistant bill clerk at not to exceed $12,080 per annum in lieu of $10,872 per annum; an assistant journal clerk at not to exceed $18,120 per annum in lieu of $15,402 per annum; a special assistant at not to exceed $15,402 per annum in lieu of $14,194 per annum; a deputy special assistant at not to exceed $14,194 per annum in lieu of $12,080 per annum; seven clerks at not to exceed $11,778 per annum each in lieu of $10,268 per annum each; a delivery clerk (office of the printing clerk) at not to exceed $10,872 per annum in lieu of $10,268 per annum; an assistant messenger at not to exceed $10,268 per annum in lieu of $9,966 per annum; an assistant messenger at not to exceed $9,966 per annum in lieu of $8,758 per annum; an assistant messenger at not to exceed $9,966 per annum in lieu of $7,852 per annum; and a chief reporter of debates at not to exceed $36,089 per annum in lieu of $36,000 per annum: *Provided further,* That the position of chief elections investigator at not to exceed $28,690 per annum is hereby abolished.

For "Office of the Secretary" for the period July 1, 1976, through September 30, 1976, $775,000, including $55,000 required for the purpose specified and authorized by section 74b of title 2, United States Code.

(11) COMMITTEE EMPLOYEES

For professional and clerical assistance to standing committees and the Select Committee on Small Business, $8,934,592.

For "Committee Employees" for the period July 1, 1976, through September 30, 1976, $2,235,000.

(12) CONFERENCE COMMITTEES

For clerical assistance to the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, $18,425 for each such committee; in all, $370,850.

For "Clerical assistance to the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee", $46,250 for each such committee; in all, for the period July 1, 1976, through September 30, 1976, $92,500.

(13) ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For administrative and clerical assistants to Senators, $45,642,178.

For "Administrative and Clerical Assistants to Senators" for the period July 1, 1976, through September 30, 1976, $11,450,000.

(14) LEGISLATIVE ASSISTANCE TO SENATORS

For legislative assistance to Senators, $3,500,000.

For "Legislative Assistance to Senators" for the period July 1, 1976, through September 30, 1976, $900,000.

(15) OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

For the office of the Sergeant at Arms and Doorkeeper, $13,095,160: *Provided,* That, effective July 1, 1975, the Sergeant at Arms may appoint and fix the compensation of the following positions (a) in the computer center: a director, computer center, at not to exceed $32,616 per annum and three computer specialists at not to exceed $19,328 per annum each in lieu of four computer specialists at not to exceed $19,328 per annum each; (b) in the Senate post office: sixty-seven mail carriers at not to exceed $10,570 per annum each in lieu of sixty-three mail carriers at not to exceed $10,570 per annum each; (c) in the service department: twelve messengers at not to exceed $8,758 per annum each in lieu of ten messengers at not to exceed $8,758 per annum each; (d) seven detectives, police force, at not to exceed $13,288 per annum each in lieu of four detectives, police force, at not to exceed $13,288 per annum each; sixteen technicians, police force, at not to exceed $12,382 per annum each in lieu of twelve technicians, police force, at not to exceed $12,382 per annum each; and 409 privates, police force, at not to exceed $11,476 per annum each in lieu of 389 privates, police force, at not to exceed $11,476 per annum each; (e) a clerk at not to exceed $16,308 per annum in lieu of a clerk at not to exceed

$13,892 per annum; and (f) if in the janitor's department: five laborers at not to exceed $4,530 per annum each in lieu of six laborers at not to exceed $4,530 per annum each: Provided further, That, the two positions of special employee at not to exceed $1,510 per annum each are hereby abolished.

For "Office of Sergeant at Arms and Doorkeeper" for the period July 1, 1976, through September 30, 1976, $3,275,000.

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

For offices of the Secretary for the Majority and the Secretary for the Minority, $296,245: Provided, That, effective July 1, 1975, and each fiscal year thereafter, the Secretaries for the Majority and Minority may each appoint and fix the compensation of an assistant during emergencies at rates of compensation not exceeding, in the aggregate at any time, $20,234 per annum, for not more than six months in each fiscal year.

For "Offices of the Secretaries for the Majority and Minority" for the period July 1, 1976, through September 30, 1976, $74,100.

(17) AGENCY CONTRIBUTIONS AND LONGEVITY COMPENSATION

For agency contributions for employee benefits and longevity compensation, as authorized by law, $4,750,000.

For "Agency Contributions and Longevity Compensation" for the period July 1, 1976, through September 30, 1976, $1,200,000.

(18) OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the office of the Legislative Counsel of the Senate, $584,110.

For "Office of the Legislative Counsel of the Senate" for the period July 1, 1976, through September 30, 1976, $147,000.

(19) CONTINGENT EXPENSES OF THE SENATE

(20) SENATE POLICY COMMITTEES

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $369,055 for each such committee; in all, $738,110.

For "Senate Policy Committee", $92,500 for each such committee; in all, for the period July 1, 1976 through September 30, 1976, $185,000.

(21) AUTOMOBILES AND MAINTENANCE

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

For "Automobiles and Maintenance", for purchase, lease, exchange, maintenance, and operation of vehicles, one for the Vice President, one for the President pro tempore, one for the Majority Leader, one for the Minority Leader, one for the Majority Whip, one for the Minority Whip, for carying the mails, and for official use of the offices of the Secretary and Sergeant at Arms for the period July 1, 1976 through September 30, 1976, $10,000.

(22) INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, as amended, including $570,180 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, and Senate Resolution Numbered 140, agreed to May 14, 1975, $17,654,500.

For "Inquiries and Investigations", including $143,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, and Senate Resolution Numbered 140, agreed to May 14, 1975, for the period July 1, 1976, through September 30, 1976, $4,415,000.

(23) FOLDING DOCUMENTS

For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $3.88 per hour per person, $86,575.

For "Folding Documents", for the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $3.88 per hour per person, for the period July 1, 1976, through September 30, 1976, $40,000.

(24) MISCELLANEOUS ITEMS

For miscellaneous items, $14,184,000.

For "Miscellaneous Items" for the period July 1, 1976, through September 30 1976, $3,550,000.

(25) POSTAGE STAMPS

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

For "Postage Stamps", for the offices of the Secretaries for the Majority and Minority, $80; Chaplain $25; and for air mail and special delivery stamps for the office of the Secretary, $155; office of the Sergeant at Arms, $60; and the President of the Senate, as authorized by law, $305; in all, for the period July 1, 1976, through September 30, 1976, $625.

(26) STATIONERY (REVOLVING FUND)

For stationery for the President of the Senate, $4,500, and for committees and officers of the Senate, $24,750; in all $29,250.

For "Stationery (Revolving Fund)", for the President of the Senate, $1,125, and for committees and officers of the Senate, $6,200; in all, for the period July 1, 1976, through September 30, 1976, $7,325.

(27) ADMINISTRATIVE PROVISIONS

(28) SEC. 101. For the purpose of carrying out his duties, the Secretary of the Senate is authorized to incur official travel expenses but such expenditures shall not exceed $5,000 during any fiscal year. The Secretary of the Senate is authorized to advance, in his discretion, to any designated employee under his jurisdiction, such sums as may be necessary, not exceeding $1,000, to defray official travel expenses in assisting the Secretary in carrying out his duties. Any such employee shall, as soon as practicable, furnish to the Secretary a detailed voucher for such expenses incurred and make settlement with respect to any amount so advanced. Payments to carry out the provisions of this paragraph shall be made from funds included in the appropriation "Miscellaneous Items" under the heading "Contingent Expenses of the Senate" upon vouchers approved by the Secretary of the Senate.

(29) SEC. 102. Effective July 1, 1975, the first sentence of section 105(d)(1)(A) of the Legislative Branch Appropriation Act, 1968, as amended and modified, is amended to read as follows: "The aggregate of gross compensation paid employees in the office of a Senator shall not exceed during each calendar year the following:

"$392,298 if the population of his State is less than 2,000,000;

"$404,076 if such population is 2,000,000 but less than 3,000,000;

"$432,464 if such population is 3,000,000 but less than 4,000,000;

"$469,006 if such population is 4,000,000 but less than 5,000,000;

"$498,904 if such population is 5,000,000 but less than 7,000,000;

"$530,312 if such population is 7,000,000 but less than 9,000,000;

"$564,438 if such population is 9,000,000 but less than 10,000,000;

"$590,712 if such population is 10,000,000 but less than 11,000,000;

"$625,140 if such population is 11,000,000 but less than 12,000,000;

"$651,414 if such population is 12,000,000 but less than 13,000,000;

"$684,936 if such population is 13,000,000 but less than 15,000,000;

"$718,458 if such population is 15,000,000 but less than 17,000,000;

"$751,980 if such population is 17,000,000 but less than 19,000,000;

"$777,050 if such population is 19,000,000 but less than 21,000,000;

"$802,120 if such population is 21,000,000 or more."

(30) SEC. 103. Section 506 of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58), is amended—

(1) by striking out "actual transportation expenses incurred by employees" in subsection (a)(8) and inserting in lieu thereof "travel expenses incurred by employees"; and

(2) by striking out subsection (e) and inserting in lieu thereof the following:

"(e) In accordance with regulations prescribed by the Committee on Rules and Administration, an employee in a Senator's office including employees authorized by Senate Resolution 60, 94th Congress, agreed to June 12, 1975, and section 108 of this title shall be reimbursed under this section for per diem and actual transportation expenses incurred, or actual travel expenses incurred, only for round trips made by the employee on official business by the nearest usual route between Washington, District of Columbia, and the home State of the Senator involved, and in traveling within the State (other than transportation expenses incurred by an employee assigned to a Senator's office within that State (1) while traveling in the general vicinity of such office, (2) pursuant to a change of assignment within such State, or (3) in commuting between home and office). However, an employee shall not be reimbursed for any per diem expenses or actual travel expenses (other than actual transportation expenses) for any travel occurring during the sixty days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator, in whose office the employee is employed, is a candidate for public office, unless his candidacy in such election is uncontested. Reimbursement of per diem and actual travel expenses shall not exceed the rates established in accordance with the seventh paragraph under the heading 'Administrative Provisions' in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b). No payment shall be made under this section to or on behalf of a newly appointed employee to travel to his place of employment. This section shall be effective July 1, 1975.".

(31) SEC. 104. Notwithstanding any other provision of law, the Committee on Government Operations is authorized, during fiscal year 1976, and the transition period, July 1, 1976, through September 30, 1976, to employ one additional professional staff member at a per annum rate not to exceed the rate for one of the four professional staff members referred to in section 105(e)(3)(A) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

(32) SEC. 105. The Secretary of the Senate, the Sergeant at Arms and Doorkeeper of the Senate, and the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $40,000. The Secretary for the Majority (other than the incumbent holding office on July 1, 1975) and the Secretary for the Minority shall each be paid at an annual rate of compensation of $39,500. The Secretary for the Majority (as long as that position is occupied by such incumbent)

may be paid at a maximum annual rate of compensation not to exceed $39,500. The four Senior Counsels in the Office of the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $39,000. The Assistant Secretary of the Senate, the Parliamentarian, and the Financial Clerk may each be paid at a maximum annual rate of compensation not to exceed $39,000. The Administrative Assistant in the Office of the Majority Leader and the Administrative Assistant in the Office of the Minority Leader may each be paid at a maximum annual rate of compensation not to exceed $38,000. The Assistant Secretary for the Majority and the Assistant Secretary for the Minority may each be paid at a maximum annual rate of compensation not to exceed $37,500. The Administrative Assistant in the Office of the Majority Whip and the Administrative Assistant in the Office of the Minority Whip may each be paid at a maximum annual rate of compensation not to exceed $37,000. The Legislative Assistant in the Office of the Majority Leader, and the Legislative Assistant in the Office of the Minority Leader, the Assistant to the Majority and the Assistant to the Minority in the Office of the Secretary of the Senate may each be paid a maximum annual rate of compensation not to exceed $36,500. The two committee employees referred to in clause (A), and the three committee employees referred to in clause (B), of section 105(e)(3) of the Legislative Branch Appropriations Act, 1968, as amended and modified, whose salaries are appropriated under the heading "Salaries, Officers and Employees" for "Committee Employees" for the Senate during any fiscal year, may each be paid at a maximum annual rate of compensation not to exceed $38,000, except that the Committee on Commerce is authorized to pay two employees, in addition to the two employees referred to in clause (A) of such section, at such maximum annual rate of compensation during the fiscal year ending June 30, 1976, and the transition period ending September 30, 1976. The two committee employees, other than joint committee employees, referred to in clause (A) of section 105(e)(3) of such Act whose salaries are not appropriated under such heading may each be paid at a maximum annual rate of compensation not to exceed $37,500, except that the two employees of the majority policy committee and the two employees of the minority policy committee referred to in clause (A) of section 105(e)(3) of such Act may each be paid at a maximum annual rate of compensation not to exceed $38,000. The one employee in a Senator's office referred to in section 105(d)(2)(ii) of such Act may be paid at a maximum annual rate of compensation not to exceed $38,000. Any officer or employee whose pay is subject to the maximum limitation referred to in section 105(f) of such Act may be paid at a maximum annual rate of compensation not to exceed $38,000. This section does not supersede (1) any provision of an order of the President pro tempore of the Senate authorizing a higher rate of compensation, and (2) any authority of the President pro tempore to adjust rates of compensation or limitations referred to in this paragraph under section 4 of the Federal Pay Comparability Act of 1970. This section is effective July 1, 1975.

(33) SEC. 106. (a) Section 3 under the heading "Administrative Provisions" in the appropriation for the Senate in the Legislative Branch Appropriations Act, 1975, is amended by inserting "(1)" immediately before the text of subsection (c) and by adding immediately below subsection (c) the following:

"(2) The aggregate amount that may be paid for the acquisition of furniture, equipment, and other office furnishings heretofore provided by the Administrator of General Services for one or more offices secured for the Senator is $20,500 if the aggregate square feet of office space is not in excess of 4,800 square feet. Such amount is increased by $500 for each authorized additional incremental increase in office space of 200 square feet."

(b) The amendment made by subsection (a) of this section is effective on and after July 1, 1975.

(34) SEC. 107. Section 3 under the heading "Administrative Provisions" in the appropriation for the Senate in the Legislative Branch Appropriations Act, 1975, is amended by inserting "(1)" immediately before the text of subsection (a) and by adding immediately below subsection (a) the following:

"(2) The Senator may lease, on behalf of the United States Senate, the office space so secured for a term not in excess of one year. A copy of each such lease shall be furnished to the Sergeant at Arms. Nothing in this paragraph shall be construed to require the Sergeant at Arms to enter into or execute any lease for or on behalf of a Senator.".

(35) SEC. 108. (a) Pursuant to section 2 of Senate Resolution 60, 94th Congress, agreed to June 12, 1975, and subject to the requirements of this section, each Senator serving on a committee is authorized to hire staff for the purpose of assisting him in connection with his membership on one or more committees on which he serves as follows:

(1) A Senator serving on one or more standing committees named in paragraph 2 of Rule XXV of the Standing Rules of the Senate shall receive, for each such committee as he designates, up to a maximum of two such committees, an amount equal to the amount referred to in section 105(e)(1) of the Legislative Branch Appropriation Act, 1968, as amended and modified.

(2) A Senator serving on one or more standing committees named in paragraph 3 of Rule XXV of the Standing Rules of the Senate or, in the case of a Senator serving on more than two committees named in paragraph 2 of that Rule but on none of the committees named in paragraph 3 of that Rule; select and special committees of the Senate; and joint committees of the Congress shall receive for one of such committees which he designates, an amount equal to the amount referred to in section 105(e)(1) of the Legislative Branch Appropriation Act, 1968, as amended and modified.

(b)(1) Each of the amounts referred to in subsection (a)(1) shall be reduced, in the case of a Senator who is—

(A) the chairman or ranking minority member of any of the two committees designated by the Senator under subsection (a)(1);

(B) the chairman or ranking minority member of any subcommittee of either of such committees that receives funding to employ staff assistance separately from the funding authority for staff of the committee; or

(C) authorized by the committee, a subcommittee thereof, or the chairman of the committee or subcommittee, as appropriate, to recommend or approve the appointment to the staff of such committee or subcommittee of one or more individuals for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee,

by an amount equal to the aggregate annual gross rates of compensation of all staff employees of that committee or subcommittee (i) whose appointment is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or to the amount referred to in section 105(e)(1) of such Act, whichever is less.

(2) The amount referred to in subsection (a)(2) shall be reduced in the case of any Senator by an amount equal to the aggregate annual gross rates of compensation of all staff employees (i) whose appointment to the staff of any committee referred to in subsection (a)(2), or subcommittee thereof, is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or an amount equal to the amount referred to in section 105(e)(1) of such Act, whichever is less.

(c) An employee appointed under this section shall be designated as such and certified by the Senator who appoints him to the chairmen and ranking minority members of the appropriate committee or committees as designated by such Senator and shall be accorded all privileges of a professional staff member (whether permanent or investigatory) of such committee or committees including access to all committee sessions and files, except that any such committee may restrict access to its sessions to one staff member per Senator at a time and require, if classified material is being handled or discussed, that any staff member possess the appropriate security clearance before being allowed access to such material or to discussion of it.

(d) An employee appointed under this section shall not receive compensation in excess of that provided for an employee under section 105(e)(1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

(e) The aggregate of payments of gross compensation made to employees under this section during each fiscal year shall not exceed at any time during such fiscal year one-twelfth of the total amount to which the Senator is entitled under this section (after application of the reductions required under subsection (b)) multiplied by the number of months (counting a fraction of a month as a month) elapsing from the first month in that fiscal year in which the Senator holds the office of Senator through the end of the current month for which the payment of gross compensation is to be made. In any fiscal year in which a Senator does not hold the office of Senator at least part of each month of that year, the aggregate amount available for gross compensation of employees under this section shall be the total amount to which the Senator is entitled under this section (after application of the reductions required under subsection (b)) divided by 12, and multiplied by the number of months the Senator holds such office during that fiscal year, counting any fraction of a month as a full month.

(f) This section is effective on and after July 1, 1975.

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendments of the Senate numbered 1 through 35 inclusive and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 50: Page 43, line 23 insert: ": Provided, That not to exceed $435,000 of the funds remaining unobligated as of June 30, 1975, shall be merged with and

also be available for the general purposes of this appropriation.

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 58: Page 48, line 8, insert: "and the Legislative Branch Appropriations Subcommittees of the House and Senate,".

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 58 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate Amendment No. 59: Page 49, line 1, insert:

"SENATE OFFICE BUILDINGS

"For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel, and for personal and other services; for the care and operation of the Senate Office Building; including the subway and subway transportation systems connecting the Senate Office Buildings with the Capitol; uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902), prevention and eradication of insect and other pests without regard to section 3709 of the Revised Statutes as amended; to be expended under the control and supervision of the Architect of the Capitol in all $8,000,000, of which not to exceed $783,600 shall be available for expenditures without regard to Section 3709 of the Revised Statutes, as amended, and shall remain available until expended for consulting services, design, testing, evaluation, and procurement of office furniture, furnishings, and equipment under a pilot program devised to provide guidelines and criteria for future procurements for such items for the Senate Office Buildings Complex: *Provided*, That the second proviso under the head 'Senate Office Buildings' contained in the Legislative Branch Appropriation Act, 1972 (85 Stat. 138) is amended by adding at the end thereof, before the colon, the words 'and, in fixing the compensation of such personnel, the compensation of four positions hereafter to be designated as Director of Food Service, Assistant Director of Food Service, Manager (special functions), and Administrative Officer shall be fixed by the Architect of the Capitol without regard to Chapter 51 and Subchapter III and IV of Chapter 53 of title 5, United States Code, and shall thereafter be adjusted in accordance with 5 U.S.C. 5307'.

"Not to exceed $225,000 of the unobligated balance of the appropriation under this head for the fiscal year 1975 is hereby continued available until June 30, 1976.

"For 'Senate office buildings' for the period July 1, 1976, through September 30, 1976, $2,050,000."

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 59 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 60: Page 50, line 14, insert:

"CONSTRUCTION OF AN EXTENSION TO THE NEW SENATE OFFICE BUILDING

"No part of the funds appropriated for "Construction of an Extension to the New Senate Office Building" shall be obligated or expended for construction, either on, above, or below street level, of any additional pedestrian entrances to the Dirksen Senate Office Building on the side of such building that faces First Street Northeast, or for construction of additional underground pedestrian walkways extending from the Dirksen Building through the Russell Building, or for construction of any restaurants or shops on the first floor of the Dirksen Building."

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

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

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 61: Page 51, line 1, insert:

"SENATE GARAGE

"For maintenance, repairs, alterations, personal and other services, and all other necessary expenses, $127,300.

"For 'Senate garage' for the period July 1, 1976, through September 30, 1976, $34,000."

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 61 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 65: Page 53, line 4, insert:

"ADMINISTRATIVE PROVISION

"SEC. 501. (a) Whenever—

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

"(2) such duty to withhold is imposed generally with respect to the compensation of employees who are residents of such State;

then the Architect of the Capitol is authorized, in accordance with the provisions of this section, to enter into an agreement with the appropriate official of that State to provide for the withholding and remittance of sums for individuals—

"(A) employed by the Office of the Architect of the Capitol, the United States Botanic Garden, or the Senate Restaurant; and

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

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

"(c)(1) An individual employed by the Office of the Architect of the Capitol, the United States Botanic Garden, or the Senate Restaurant may request the Architect to withhold sums from his pay for remittance to the appropriate authorities of the State that he designates. Amounts of withholdings shall be made in accordance with those provisions of the law of that State which apply generally to withholding by employers.

"(2) An individual may have in effect at any time only one request for withholdings, and he may not have more than two such requests in effect with respect to different States during any one calendar year. The request for withholdings is effective on the first day of the first pay period commencing on or after the day on which the request is received in the Office of the Architect, the Botanic Garden Office, or the Senate Restaurant Accounting Office except that—

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

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

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

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

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

"(e) This section imposes no duty, burden, or requirement upon the United States, or any officer or employee of the United States, except as specifically provided in this section. Nothing in this section shall be deemed to consent to the application of any provision of law which has the effect of subjecting the United States, or any officer or employee of the United States to any penalty or liability by reason of the provisions of this section.

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

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 65 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 73: Page 58, line 4, insert:

"NATIONAL COMMISSION ON NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS

"SALARIES AND EXPENSES

"For necessary expenses of the National Commission on New Technological Uses of Copyrighted Works, $337,000.

"For 'Salaries and Expenses' for the period July 1, 1976, through September 30, 1976, $114,000."

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 73 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 87: Page 65, line 1, insert:

"SEC. 708. Funds available to the Library of Congress may be expended to purchase, lease, maintain, and otherwise acquire automatic data processing equipment without regard to the provision of 40 U.S.C. 759."

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 87 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 101: Page 74, line 15, strike out: "Committee on Appropriations" and insert: "Secretary".

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 101 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 103: Page 75, line 19, insert:

"SEC. 1106. Section 106 of the Legislative Branch Appropriation Act, 1975 is repealed."

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 103 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 105: Page 75, line 23, insert:

"SEC. 1108. Section 638a of title 31 of the United States Code shall hereafter not be construed as applying to the purchase, maintenance, and repair of passenger motor vehicles by the United States Capitol Police."

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 105 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 106: Page 76, line 3, insert:

"SEC. 1109. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein, except as provided in section 204 of the Supplemental Appropriation Act, 1975 (Public Law 93-554)."

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 106 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 107: Page 76, line 8, insert:

"SEC. 1110. Notwithstanding any other provisions of law, none of the funds in this Act shall be used to pay ages of the Senate and House of Representatives at a gross annual maximum rate of compensation in excess of that in effect on June 30, 1975."

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 107 and concur therein.

The motion was agreed to.

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

The Clerk read as follows:

Senate amendment No. 108: Page 76, line 13, insert:

"SEC. 1111. The Architect of the Capitol shall study and submit his recommendations to the Congress within 3 months, a plan to reduce by at least 50 percent the number of persons operating automatic elevators within the Capitol complex."

MOTION OFFERED BY MR. CASEY

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

The Clerk read as follows:

Mr. CASEY moves that the House recede from its disagreement to the amendment of the Senate numbered 108 and concur therein.

The motion was agreed to.

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

GENERAL LEAVE

Mr. CASEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of the conference report (H.R. 6950) and that I be permitted to revise and extend my own remarks and include a tabulation and extraneous material.

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

There was no objection.

MESSAGE FROM THE PRESIDENT

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

COMMUNICATION FROM THE CLERK OF THE HOUSE

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

WASHINGTON, D.C.,
July 21, 1975.

Hon. CARL ALBERT,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 4:05 P.M. on Monday, July 21, 1975, and said to contain H.R. 4035, An Act to provide for more effective congressional review of proposals to exempt petroleum products from the Emergency Petroleum Allocation Act of 1973 and certain proposed administrative actions which permit increases in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities, and a veto message thereon.

With kind regards, I am,

Sincerely,

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

PETROLEUM PRICE REVIEW ACT—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-218)

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. 4035, the Petroleum Price Review Act, because it would increase petroleum consumption, cut domestic production, increase reliance on insecure petroleum imports and avoid the issue of phasing out unwieldy price controls.

H.R. 4035 would go counter to the Nation's need to conserve energy and reduce dependence on imported oil. It would increase petroleum imports by about 350,000 barrels per day in 1977, compared to import levels under my phased decontrol plan. It would even increase imports by about 70,000 barrels per day over continuation of the current system of mandatory controls through 1977.

The provisions in this bill to roll back the price of domestic oil not now controlled, to repeal the "stripper well" exemption from price controls and to establish a three-tier price system which would require even more complex regulations would be counterproductive to the achievement of energy independence.

The bill does contain an Administration requested provision which would continue the coal conversion program through December 31st. Since coal conversion authorities authorized last year in the Energy Supply and Environmental Coordination Act expired June 30th, I urge rapid enactment of a simple one year extension of these authorities.

Last Wednesday, July 16, I submitted to Congress a compromise plan to phase out price controls on crude oil over a thirty-month period. Coupled with administratively imposed import fees, this plan will reduce the Nation's imports by 900,000 barrels per day by 1977. It will reduce our vulnerability to another em-

bargo by adding slightly over one cent per gallon to the price of all petroleum products by the end of 1975 and seven cents by 1978.

If Congress acts on this compromise and on other Administration proposed energy taxes, including the "windfall profits" tax and energy tax rebates to consumers, the burden of decontrol will be shared fairly, and our economic recovery will continue.

I veto H.R. 4035, because it increases our vulnerability to unreliable sources of crude oil and does not deal with the need to phase-out rigid price and allocation controls enacted during the embargo. I urge Congress not to disapprove my administrative plan of gradual decontrol. If it is accepted, I will accept a simple extension of price and allocation authorities. If decontrol is not accepted, I will have no choice but to veto the simple six-month extension of these authorities now being considered by Congress.

For too long, the Nation has been without an energy policy, and I cannot approve a drift into greater energy dependence.

GERALD R. FORD.

THE WHITE HOUSE, *July 21, 1975.*

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.

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that further consideration of the veto message from the President and the bill H.R. 4035 be postponed until Thursday, July 24, 1975.

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

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 555) entitled "An act to amend the Consolidated Farm and Rural Development Act."

DISAPPROVING PROPOSED AMENDMENT BY THE PRESIDENT TO REMOVE EXISTING PRICE CONTROLS RELATING TO CRUDE OIL

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 613 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 613

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the State of the Union for the consideration of H. Res. 605. At the conclusion of general debate, which shall be confined to the resolution and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the Committee shall rise and report the resolution to the House, and the previous question shall be considered as ordered on the resolution to its adoption or rejection.

The SPEAKER. The gentleman from California is recognized for one hour.

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

Mr. Speaker, House Resolution 613 provides for a rule with 2 hours of general debate on House Resolution 605, a bill disapproving the President's decontrol program which was submitted to the House on July 16, 1975.

Under the terms of the Emergency Petroleum Allocation Act, either House has 5 legislative days to adopt a resolution of disapproval of a Presidential plan. Because the President's plan was submitted to the House last Wednesday, and the time began running last Thursday, this resolution must be adopted no later than tomorrow, Wednesday July 23.

Mr. Speaker, I urge the adoption of House Resolution 613, in order that we may discuss and debate House Resolution 605.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, normally I am not opposed to the adoption of rules which make it possible for Members of the full House to work their will on particular legislation. However, in this instance I am opposed to the adoption of House Resolution 613, which makes in order, as the gentleman from California has said, House Resolution 605.

I express that opposition for the reason that if we adopt the rule, the resolution that is now before us, we are making it possible, in effect, for the House Committee on Interstate and Foreign Commerce to escape what I think was its minimal responsibility of holding some kind of a hearing, however brief. And I express the fact that, in view of the 5-day period involved in the congressional approval or disapproval of plans submitted under the Emergency Petroleum Allocation Act, one could make the argument that a full-blown hearing could not be scheduled. But surely, for the Committee on Interstate and Foreign Commerce to have come before us, as they did the other day, and suggest that they could not even make the appearance of holding some kind of hearing on legislation as fundamentally as important as that which we are dealing with in House Resolution 605, they are casting upon the Committee on Rules, in asking the Committee on Rules to discharge them from any further responsibility of House Resolution 605, a burden of making a decision which is not ours.

I want to say one further thing before yielding, and I have one request for time. I would give to the gentleman from California one further reason why the resolution should be defeated and why we should adopt the decontrol proposal that has been submitted now by the President. I say so for the reason that many Members labor, I believe, under the false belief that if the President's decontrol program, 30 months' decontrol of old oil over a period of 30 months, is approved, that somehow the House of Representatives loses control over this very important question of what to do about energy and specifically of what to do about the price of old oil. Nothing could be further from the truth. I point out that under the provisions of the Emergency Petroleum Allocation Act, section 4(G)(2), the provision says:

> The President may prescribe an amendment to the regulation, under subsection A, exempting such oil or product from such regulation for a period of not more than 90 days.

In other words, even though this is a 30-month decontrol plan, if the Emergency Petroleum Allocation Act is extended, as I think it should be, on some basis, the President is going to have to come back to the Congress every 90 days to seek the affirmation and the approval of this body or of the Congress for a continuation of that proposed decontrol of old oil.

We do not lose control of the question. We do not forfeit our responsibility or abdicate our responsibility by allowing the President's decontrol program to go into effect. Nothing could be further from the truth. The President, in the veto message that was just read—and I hope the Members were listening carefully to the penultimate paragraph of that message—said:

> I urge Congress not to disapprove my administrative plan of decontrol. If it is accepted, I will accept a simple extension of price allocation and authority.

And I think the President's word is good, that if we will accept this decontrol plan, he will in turn accept an extension over the period of the recess and for 60 days beyond that so that we can go ahead and together work out a compromise. There is a place for compromise. Today's editorial in the New York Times said the aim must now be to enact the best compromise that can be achieved. An editorial from July 21 in the Washington Post said the situation cries out for compromise.

Here I think we have a basis for compromise. Accept the decontrol plan, accept and work out with the President an extension of the Emergency Allocation Act.

As the gentleman from Ohio very wisely pointed out in his "Dear Colleague" letter of July 21, pass over the pricing provisions of title III of H.R. 7014.

And then together that committee, the committee of the gentleman from Colorado (Mr. WIRTH), can work out together with the Committee on Ways and Means a sensible windfall profits tax and a rebate plan for the hard-pressed consumers, and then that will allow us to move on, as the country wants us to, in trying to work out a program that will give us more energy and, I think, protect us from the kind of OPEC blackmail all of us want to avoid.

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

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

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

I think it is important at this point to be sure the record is set straight in relationship to hearings that were held on the President's proposal for decontrol.

As the gentleman knows, the Subcommittee on Energy and Power has been considering the pricing issue for the last 6 months and has held very, very extensive hearings on the subject of pricing relating to both old oil and new oil.

Second, when the President sent up his message, we did hold hearings, and we heard from Mr. Zarb and Mr. Zausner a week ago Monday in hearings which I was privileged to chair. So we did hear from the administration on that front.

We have also heard from any number of other witnesses on the impact of the decontrol proposal.

Third, there has been an extensive analysis done by the committee staff on this subject, and that is available to all Members.

Finally, I will agree with the gentleman that we are moving toward a compromise. I think we will get into some discussion of that when we discuss the President's proposal. I think many of us feel we may be approaching that point, but we are still in the situation of having two extremes, and we do not want to go to the one extreme as represented by the President's proposal.

Mr. ANDERSON of Illinois. Mr. Speaker, let me suggest, also for the benefit of the gentleman from Ohio (Mr. BROWN), who has been a very hardworking member of the Subcommittee on Energy and Power, that I am fully aware of and appreciative of the efforts over a period of 5½ or 6 months that subcommittee has made in trying to work out an energy bill, and indeed we have seen the wisdom of that subcommittee which, by a vote of 2 to 1 or 10 to 5, accepted the proposal which is now before us in the form of an amendment offered by the gentleman from Texas (Mr. KRUEGER).

Had the full committee accepted the wisdom of the gentleman's subcommittee and accepted that proposal rather than having by a razor-thin margin of one vote insisted on substituting the so-called Eckhardt proposal, I think we would be much further along the road to a reasonable, sensible compromise with the administration on this whole question than we are at this moment.

But I repeat that the committee did not—at least this is what we were told by the very distinguished chairman, my good friend, the gentleman from West Virginia (Mr. STAGGERS)—hold any hearings on House Resolution 605, which is the resolution that would be made in order once we adopt the rule.

I am not suggesting that they have not considered the broad range of problems that go with decontrol and the President's overall approach to the problem in contradistinction to some of the approaches that the gentleman and other Members have urged. But I think I am quite correct in saying and in reporting to the House that when the chairman of the committee appeared before the Committee on Rules, he in effect by this procedure asked us to discharge the Committee on Interstate and Foreign Commerce on this resolution and to report it out without hearings on the resolution itself.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

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

Mr. BROWN of Ohio. Mr. Speaker, the gentleman from Illinois (Mr. ANDERSON) quite eloquently spells out why there ought to be a "no" vote on this rule, because in fact there have been no hearings on this particular proposal.

Now, I repeat that, and I would be glad to be challenged by any member of our committee. We have had no hearings on the President's decontrol plan that is before us today.

We have had hearings on decontrol, sudden decontrol, immediate decontrol, and those hearings were designed to establish how wrong sudden decontrol is. We have had discussion of the President's plan for 25 months' decontrol which was submitted in the Federal Register for notice on the hearings but which was not proposed by the Congress.

We have had studies made on 25 months' decontrol; we have had studies made on immediate decontrol. We have had no economic studies that I am aware of made of the decontrol plan before us today.

In short, the Congress has said that we do not want to even consider having hearings on this issue and try to get the facts.

I know that there is a 5-day limitation under the Emergency Petroleum Allocation Act for consideration of this measure, but the fact that the Congress will not even have hearings on what is essentially a compromise proposal by the President speaks loudly to the American people.

When the New York Times and the Washington Post criticized Congress for taking that closed-minded attitude, they were apparently correct. My friends and colleagues, I think it is a closed-minded attitude, and I will have to vote against the rule, of course.

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

Mr. ANDERSON of Illinois. Yes, I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, the gentleman says that we have had no hearings. How long have we known of the proposal of the President?

Mr. ANDERSON of Illinois. Mr. Speaker, I will yield to the gentleman from Ohio (Mr. BROWN) for the purpose of making, hopefully, a brief reply to the question of the gentleman from Texas (Mr. ECKHARDT).

Mr. BROWN of Ohio. If the gentleman will yield, the proposal by the President has been before the House now for 4 days.

Mr. ECKHARDT. The gentleman knows, does he not, that under the procedure of the House, we could not have brought this to the floor without its having become law before we could possibly act, before we could have hearings. The gentleman knows that.

Mr. BROWN of Ohio. If the gentleman will yield so that I can respond to that, I have learned during this Congress that the caucus of the committee or the caucus of the majority can do in the Congress darn nearly anything it wants to do.

It is my feeling that the proposal by a President of the United States, any President of the United States, ought to at least have the serious judgment of one of the committees of the Congress before anything like this is brought to this body for consideration.

I recommended to the Committee on Rules that if they wanted to grant a rule on this without insisting that the Committee on Interstate and Foreign Commerce have the hearings, that they have the hearings, but the Committee on Rules said: "No, we do not want to have the hearings here. We will just submit it for disapproval and say that we are not interested in finding out what the facts are on this item."

Mr. ANDERSON of Illinois. Mr. Speaker, I would simply add to what has been said that a careful reading, I think, of the resolution itself will indicate, on page 2, that the plan was submitted to the House on July 16, 1975, under a letter of such date, to the Speaker from the Administrator of FEA. The chronological sequence, then, of course, is that House Resolution 605 was introduced by the gentleman from West Virginia (Mr. STAGGERS) and, I think, six other members or seven or eight other members of the committee the next day, the 17th of July. Then, of course, on the 18th of July we had introduced the resolution that is now before us, House Resolution 613.

I just want to say again that I hope I can reasseverate the point that the Members, in not taking action on this disapproval resolution, in voting down the rule, are not depriving themselves of the opportunity to continue to exercise their proper responsibility and jurisdiction over this important question, because if we can get this out of the way and extend the Emergency Petroleum Allocation Act, the President is bound to come back every 90 days to the Congress for approval of that decontrol program.

If this is not working and if somebody comes back with a better plan in the meantime, certainly this Congress ought to consider it, and I would hope it would.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. Yes, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I say that we are improving, to some extent, because back on the 2nd of May when the notice was printed in the Federal Register of what the President might submit by way of a 25-month plan—as soon as it was suggested that the President might submit it—the chairman of my committee went to the committee with a resolution disapproving whatever the President might submit. That is a little history of his judgment of any kind of plan, at least in this instance, that might be submitted. There was no waiting until the day after the plan was submitted. We still refused to have any hearings on it.

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

Mr. ANDERSON of Illinois. Yes, I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Speaker, I would just like to say, first of all, that if we do not pass this rule and consider this, we will be deprived of consideration of this decontrol measure since the time to act on that would expire tomorrow. Second, the President has already announced that he will veto a straight extension of the Emergency Petroleum Allocation Act, so that proposition is not really available to us unless we override the veto.

Mr. ANDERSON of Illinois. If the gentleman will suspend at this point, I do not know whether he was here during the reading of the veto message or not. However, I pointed out in my earlier remarks that the President, in that message, said that if Congress does not disapprove his administrative plan for decontrol, he will accept a simple extension of the price and allocation authority, under which extension he would have to come back, I repeat, for approval of that plan again after we return from the August recess.

So why the gentleman persists in trying to communicate to the House the idea that we are giving up some great right that we have, a responsibility to continue to be seized of jurisdiction and responsibility in this direction, I do not know. The President is locked in under the kind of extension that he said he would accept, locked in to come back to this Congress.

Mr. OTTINGER. That is a very "iffy" proposition and I do not think I can accept the President's "if."

The other thing is that as soon as the President announced he would submit a decontrol program, we discussed the program, and a week ago on Monday, I believe, we had before us Mr. Zarb and Mr. Zausner before the subcommittee in hearings at which the gentleman from Ohio participated, and we did make inquiry of the administration witnesses with regard to this very decontrol plan which at that point had been announced but not yet submitted. So we did have hearings on this Presidential proposal.

Mr. ANDERSON of Illinois. Mr. Speaker, I think it fruitless to continue the discussion on that point.

I think I am correct in my prior statement that hearings were not held on the resolution that would be made in order by the rule that is before us now.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield, the hearings were held on Friday and Monday, the plan was recommended on Wednesday. How in the world would it be possible to have hearings on a plan recommended on Wednesday 2 or 3 days ahead of the time, with the hearings announced about a week before that?

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

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

Mr. WIRTH. Mr. Speaker, I thank the gentleman from Illinois for yielding to me.

Mr. Speaker, I think it is important to know that Mr. Zarb and Mr. Zausner, when they came before the subcommittee last Monday, agreed to withhold submission of the President's decontrol message until they had all of the backup and analytical data together, and submitted it to us on Wednesday, in a cooperative effort by the subcommittee and the administration to make sure that all of the backup material was available.

The important thing to note here is that we are talking about the problems that we have in this 5-day review period. I would remind my colleagues on the other side of the aisle that I think some of the Members over there voted against H.R. 4035, which would have allowed us the luxury of 15 days. I think that the Members on that side of the aisle are making a very meaningful argument for that.

Mr. ANDERSON of Illinois. I certainly appreciate the gentleman's statement. I think I speak for many Members on this side of the aisle, that we had ample cause and reason to vote against that because the bill included a rollback on the price of oil, a ceiling price of $11.28, a principle with which we simply could not agree.

But, Mr. Speaker, I would simply terminate any further discussion on this because we do have 2 hours allotted under the rule.

Mr. WIRTH. Mr. Speaker, if the gentleman will yield to me very briefly.

Mr. ANDERSON of Illinois. I yield briefly to the gentleman from Colorado.

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

Mr. Speaker, there was one minor detail in the gentleman's earlier discussion on the Eckhardt amendment, in which the gentleman pointed out that it had passed by 1 vote—22 to 21. I should remind my colleague that the original vote was 21 to 21, with one member "present." So it was even closer.

Mr. ANDERSON of Illinois. I thank the gentleman for his contribution.

Again, I think this illustrates the tragedy of this House proceeding with H.R. 7014 in its present form, without adoption of the Krueger amendment, when the subcommittee, after 5½ months of deliberations and study, and thinking it a good bill, came up with the decision that it would.

Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I do not mean to be intemperate on this matter of hearings, and the failure of the committee to have hearings.

Further, I do not often read from the New York Times, either, but let me read to the Members a paragraph from a New York Times editorial of this morning, urging a compromise on this issue and, in effect, supporting the President's proposal for a compromise.

It reads:

> Plans for the decontrol of oil prices must be geared in carefully with fiscal policy to ensure that the economy recovers from the worst recession in post-war history, which has left heavy unemployment in its train. Higher oil and other energy prices and the extra taxes must not be permitted to impose such heavy burdens on the economy as to cause the recovery to abort. This can be handled by phasing decontrol in gradually—over a period of perhaps three years or more—and by assuring that during the recovery extra taxes collected be put back into the economy both by reinvestment and by rebates to lowest income groups hit by higher energy prices.

That is the best-kept secret about the President's plan in Washington and, for that matter, the rest of the country. The President proposes precisely that with a slight variation in the number of months, and in addition, proposes a rebate program and a tax program that would return funds to those hit hardest by the rising costs of energy.

That is why we ought to have hearings, because nobody mentions that crucial aspect of the President's plan. Nobody discusses it from the majority side of the aisle. Why can we not have that submitted to the American people and to the rest of this Congress in full consideration of the plan? No. What we hear talked about is what happens to rising prices of gasoline, and so forth, and we do not hear on that too accurately, frankly, because what the President's plan would call for is a 1-cent to 1½-cent increase in the price of gasoline by the end of this year. What it would call for is at most a 7- to 7½-cent increase in gasoline by the end of the decontrol period, by the end of 1977. Instead what we get are a lot of economic studies put together that assume a $4 increase in the price of oil by the OPEC nations, and then they say that that relates precisely to decontrol. It does not.

In most of these studies the assumption of the Arab oil price increase makes up 60 percent of the increase in gasoline costs and 60 percent of the increased cost of oil. When we put that into "an economic study," and then say that that is the impact of decontrol, we may be charged with misleading people, and that is why it would be healthy if we could have at least a hearing on this. It is too late for that. I understand it is too late for that. But it should have been done, and as a demonstration of why it is wrong not to have done it, we should vote against the rule.

I do not expect to carry that, but it would show a demonstration against that kind of procedure.

The SPEAKER. The time of the gentleman has expired.

(At the request of Mr. ANDERSON of Illinois, and by unanimous consent, Mr. BROWN of Ohio was allowed to proceed for 1 additional minute.)

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I thank the gentleman for yielding.

On the very important point the gentleman was just making, is it not true, with respect to the macroeconomic effects of the proposed decontrol plan, that within the normal error range of the model used, as far as the impact on the gross national product is concerned, there is the possible reduction of one-half of 1 percent, and as far as the unemployment rate is concerned, the impact between now and 1977, would average about something less than one-tenth of 1 percent.

Mr. BROWN of Ohio. That is exactly true, and if this plan is defeated today the next plan which would be up in the next couple of days will not have much

more impact than that, I assure the gentleman. And we will continue to do that, I think, on the minority side of the aisle, and the White House, and the FEA, until we get some understanding of it, even over the lack of hearings on the other side of the aisle.

The SPEAKER. The time of the gentleman has expired.

Mr. SISK. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I do this not to discuss the merits or demerits of this situation, but I think in fairness to our Committee on Rules it should be made clear that it was really not our responsibility to hold these hearings. Let me say in fairness that I think normally a legislative committee coming before the Committee on Rules requesting a rule on a bill that has had no hearings and no consideration in that committee would be turned down out of hand. We would not even have considered it.

But we are faced with a unique situation which has already been raised by various Members of Congress here today that we are limited to 5 days to take action, if in fact any action is going to be taken. I would hope that we would take a lesson from this and that we do as quickly as possible increase through legislation that time to 15 days or 20 days or some reasonable period of time so that the committee can have an opportunity to hold hearings. But I think it is unfair to charge the Committee on Rules as being unfair here today by the fact that we did not hold the hearings, because we were faced with what in essence was a fait accompli, so to speak, and we would have to act today, and no later than tomorrow, or we would have no opportunity to do that.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to my colleague, the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman on the Rules Committee knows, I suggested to the committee that they not grant a rule until the Interstate and Foreign Commerce Committee had held its hearings, and failing that I suggested I concur fully that it is not the responsibility of the Rules Committee to hold those hearings that should have been held by the substantive committee of jurisdiction.

Mr. SISK. Unfortunately, as I say, we are confronted with this very strict limitation.

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

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

Mr. ECKHARDT. Mr. Speaker, will the gentleman confirm this point? As I understand the argument on the other side, since we have a 90-day comeback with respect to the deregulation proposals of the President, we need take no action to disagree now. But if we did that we would then have the worst of all worlds. We would either let oil prices go up to $13.50 and place a tremendous burden on the consumer or else at the end of the 90 days we simply refuse to further ratify at that point and old oil is held at $5.25 and new oil goes up to the OPEC price.

It seems to me under those conditions we give no certainty for investment and, therefore, bring in no additional new oil and at the same time we place an enormous burden on the consumer. It seems to me that is the worst of all worlds.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 1 additional minute in order to reply to the gentleman from Texas who suggested if we do not disapprove the President's decontrol plan we would have the worst of all worlds. If I understood the gentleman accurately he said that is because the oil is going to go up to $13.50 a barrel, but my understanding of the President's decontrol plan is that if there is decontrol of oil, and there is the 13-month period in 1972, it is decontrolled at the rate of 3.3 percent a month starting September 1, 1975, in other words in 3 months, after which time the President would have to come back to the Congress for reapproval of his plan. We could only decontrol 10 percent of the old oil and we are not going to have an immediate movement up to $13.50 of this old oil. Any decontrol is going to be based on 30 months, so how can the gentleman suggest that before the President has to come back again to the Congress we would have oil shooting up to $13.50 a barrel?

Mr. ECKHARDT. If the gentleman will yield, the gentleman is absolutely correct about the percentage per month of old oil which is released, but there is a relatively short period of time for the release of that old oil and, therefore, it becomes a greater and greater mix of new oil which is at $13.50.

Mr. ANDERSON of Illinois. The price of new oil is up there now.

Mr. ECKHARDT. Precisely. That is precisely the reason Congress should deal with this program rather than cutting off its authority to do so except by negative action with respect to the President's plans.

Mr. ANDERSON of Illinois. I cannot see, I will say in final reply and apparently my point has not been very well made, how Congress by permitting this decontrol program to become effective is losing control. If we extend the Emergency Allocation Act we will still have the authority we need.

Mr. Speaker, I am going to vote against this rule as a matter of principle, knowing full well it will probably be adopted anyway; and, failing that, I intend to vigorously oppose the resolution of disapproval it makes in order—House Resolution 605.

The major principle involved in this rule, as I see it, is that one of our standing committees, the Interstate and Foreign Commerce Committee, has abdicated its responsibility to hold even 1 day of hearings on the President's decontrol plan which this resolution would veto—and instead has asked the Rules Committee to discharge it of its responsibility and send this to the House. But that is not all. When did the Interstate and Foreign Commerce Committee instruct its chairman to request such a special rule? The fact is, the chairman first appeared before our committee back on May 19 to inform us that he had been so instructed. What is unusual about that? Well, what is so unusual is that the committee issued those instructions some 2 months before the President announced the plan which this resolution seeks to disapprove. In other words, the committee not only prejudged a plan it had not yet seen, but after it had seen the plan it refused to give it the benefit of its collective consideration or judgment.

Now, I am sure it will be argued that the time frame for disapproval in the Emergency Petroleum Allocation Act—5 legislative days—was not sufficient time to review the President's plan and thus this unusual action was warranted. Granted, 5 days is not a sufficient period to go through the entire process of holding lengthy hearings and drafting a comprehensive committee report. But, it certainly did provide sufficient time for an abbreviated consideration of the President's plan—a 1-day hearing followed by a committee vote and brief statement if not report. Is that too much to ask? I think not. And yet the committee made no attempt to even give us the benefit of such a consideration. Instead, we are being asked under this rule to digest and accept all of what may or may not be developed concerning the decontrol plan in the brief 2 hours of debate provided by this rule, and then, to immediately make up our minds and vote this resolution up or down.

Mr. Speaker, I think we deserve more of our committees. I think our committees should be discharging their responsibilities rather than begging the Rules Committee to discharge them of their responsibilities. The Rules Committee is certainly in no position to recommend one way or another on this resolution of disapproval; and you can search the report on this rule (H.R. 94–372) in vain for any explanation of the President's decontrol plan or least of all, why it should be disapproved.

The fact is, the best we can do for a reason to adopt the resolution of disapproval is to carefully read the preface to the "resolved" clause of House Resolution 605. That preface consists of three "whereas" clauses totaling 14 lines and 110 words. So, let us examine those 14 lines for some clue as to why the President's plan should be disapproved, keeping in mind, of course that this resolution was never considered or voted by the full committee and only bears the names of 14 of the 43 members on the committee.

The first "whereas" clause criticizes the President for taking "administrative action unilaterally without awaiting enactment of legislation which is at present under active and intensive consideration by the Congress." The clause goes on to state that such action is inconsistent with and endangers the possibility of the development of a comprehensive and rational energy program. Mr. Speaker, this clause can be easily dismissed on several counts. First, the President is acting quite properly under authority granted to him by the Congress in the Emergency Petroleum Allocation Act of 1973—Public Law 93–159. Second, far from not waiting for the Congress to act, the President has waited patiently for 6 months—even though the Democrats had promised a comprehensive energy package in 3 months—and he has bent over backward to compromise, only to be met

by uncompromising political gamesmanship designed to score points rather than to produce energy.

Finally, far from moving toward any comprehensive energy program, the Congress is wandering all over the ball park in search of points, no matter how inconsistent and contradictory those plays might be. On the very same day last week, we had before us two bills—one to roll back the price of new oil to $11.28 and another to roll it back to $7.50 a barrel. Both these proposals in turn would further decrease domestic production and thus increase our foreign dependence, even though in yet another energy bill approved last month we voted to put a lid on our imports. And all the while, our domestic consumption continues to increase as the economy begins to recover. Mr. Speaker, I defy anyone in this Chamber to explain to me what the comprehensive energy program of the Democrats is? I have yet to see it.

Moving on to the second "whereas" clause, Mr. Speaker, we learn that a good reason to disapprove the President's plan is that energy price increases over the last 2 years have contributed to inflationary pressures throughout the economy. Now, I do not think anyone will argue with that statement, but I hardly think that can be blamed on a plan which has not been implemented. Everyone recognizes that it is mainly attributable to the fourfold increase in oil prices imposed by the OPEC countries. All this has taken place without the help of the President or the Congress. Perhaps in fairness to the resolution we should read this in connection with the final "whereas" clause which charges that the President's plan over a 30-month period "would permit precipitous increase in domestic crude oil prices, which would retard economic recovery, and threaten to produce broad scale hardships." Mr. Speaker, I might be inclined to agree with that if what we were discussing here was an immediate lifting of all controls on old oil for that, indeed, would retard the recovery and impose unacceptable inflationary costs on the American people. But, no, that is not what is called for in the President's plan. The stretchout of the decontrol program over 30 months will bring minimal adverse effects to our economy while increasing domestic energy production and decreasing our dependence on foreign oil. Under the President's plan, the average price of petroleum will increase by about 1.5 cents by the end of this year and reach 7 cents per gallon by January of 1978. The increased cost per household will average $114 by the end of 1977. The impact on both the GNP and unemployment will be about one-tenth of 1 percent between now and 1977. The fact is, Mr. Speaker, if we do nothing about our domestic energy supply, the American people will still be paying higher energy costs, only those dollars will be flowing abroad and will not remain here to be recycled through our economy.

Mr. Speaker, we are going to hear a lot of talk here today about the economic costs of the President's program. We are deluding the American people if we do not admit that any effective domestic energy program will require some sacrifice. That was just as true of the original Ways and Means energy bill and of the original Interstate Energy Subcommittee bill. But we must be willing to look at the broader picture and its implications. What are the foreign policy implications, for instance? If we continue to play games instead of making the tough, and politically unpallatable, decisions, the fact is that the OPEC countries will literally have us over a barrel. And these foreign policy questions are not without their economic consequences. Keep in mind that the last Arab oil embargo caused 500,000 unemployed and a drop of $10 to $20 billion in our GNP. Today we are even more dependent on foreign oil and without an effective and comprehensive domestic energy program in place today, that dependence is going to dramatically increase as the economy picks up.

In conclusion, Mr. Speaker, I reject this rule and I reject the resolution of disapproval it makes in order, as well as the skimpy justifications contained in the preface of that resolution. When the chairman of the House Budget Committee appeared before our Rules Committee on this matter he said, "We need this resolution to maintain the status quo". I would suggest, Mr. Speaker, that this country cannot afford another 6 months of status quo stalling on energy from this Congress. Let us permit the President's decontrol program to go into effect now; if the Congress can come up with something better later, then fine—there is no reason why it cannot then supersede and supplant the President's program. In the meantime, if we have no energy program in place, the theme song of this Congress might as well be, "I've got plenty of nothing." And come another oil embargo, those words are going to take on added significance, and the American people will not be happily humming along with us.

Mr. SISK. Mr. Speaker, I yield 1 minute to the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Speaker, I think three points have to be made in response to some of the allegations which have been made. First, we have heard a great deal of discussion about compromise. I do not think there is any kind of compromise if the House is asked to lie down and play dead in the face of the President's proposal. There has to be movement on both sides. The President's proposal does not represent movement on both sides.

Second, we have been told about a windfall profits tax; for 6 months we have been talking about such a tax, but we have yet to see the specifics. It is much too dangerous for Congress to decontrol old oil without a tax being in place, or at least in agreed upon form.

Third, the proposal sent up by the President has itself not had hearings. The proposal which the President sent up earlier did have hearings, and called for 25 months decontrol and had no cap on it whatsoever, which is a very different proposal from the one we have now heard. Let me repeat, then, that this proposal, submitted by the President, has not had hearings. I think what we see here, by both the House and the administration, is movement on both sides (as both sides understand the issues) toward a compromise. If we all had hearings on every idea we'd be here until all of our oil runs out and we all freeze to death.

Mr. SISK. Mr. Speaker, does the gentleman from Illinois desire to yield further time?

Mr. ANDERSON of Illinois. Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to House Resolution 613, the House resolves itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 605) disapproving the proposed amendment by the President to remove existing price controls relating to crude oil.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 605) with Mr. McKAY in the chair.

The Clerk read the title of the resolution.

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

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 1 hour, and the gentleman from Ohio (Mr. BROWN) will be recognized for 1 hour.

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

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

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

Mr. STAGGERS. Mr. Chairman, I yield myself whatever time I may require.

Mr. Chairman, I listened with great interest to the colloquy on the rule. Many times I was tempted to rise and try to correct what I thought were misrepresentations to the House.

They were not intentional, I do not believe, because I have great faith and respect for the gentleman from Illinois (Mr. ANDERSON) and I have great respect for the gentleman from Ohio (Mr.

BROWN). But I would like to point out that we are not being asked to consider a legislative proposal. This is simply a question of whether to disapprove the proposal submitted by the President which calls for lifting price controls on petroleum over the next 30 months.

There have been adequate hearings on this subject matter. And on the basis of those hearings the committee has recommended a pricing policy in H.R. 7014 which runs counter the President's current proposal.

The gentleman from Illinois talked about compromise. I do not know who he is talking about compromise with, because no one has talked to me and, so far as I know, no one has talked to the chairman of the subcommittee. Who are they going to compromise with?

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I will yield just briefly to the gentleman.

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

On Saturday afternoon, representatives of the subcommittee and the full committee met with Mr. Zarb, on Sunday evening they met with Mr. Zarb, and last night they met with Mr. Zarb. We have been, unfortunately, unable to get anyone out of the leadership on the Democratic side of the aisle to those meetings.

Mr. STAGGERS. Did the gentleman ask me?

Mr. BROWN of Ohio. Mr. Chairman, it was not a meeting that I called. It was called on that side of the aisle.

Mr. STAGGERS. For Mr. Zarb?

Mr. BROWN of Ohio. Mr. Zarb was asked to attend the meeting.

Mr. STAGGERS. I see. But this thing of compromise has to be a two-way street, the gentleman knows. We are dealing with a President who was never elected by the people of the United States, yet he is ruling by a one-man rule now, by veto. He is thwarting the majority of the people of this Congress time after time after time, and the democratic form of government was not meant to be that way. It was not meant to allow one man to thwart the will of the House or the will of the Senate or the will of the Congress, the majority. But he has been doing that on great issues which affect America desperately, and I think the time has come that the American people know it.

Mr. Chairman, I have just returned from traveling in eight counties of my district, and one of the great issues is the high cost of gasoline. In January 1973, gasoline was selling across America at the general price of 35 cents a gallon. What are we paying for it now? Up in the sixties. And yet they want more. Every cent they raise it means a billion dollars to those who produce it.

Do the Members know what this resolution does? If we do not override it, America will be looking at this Congress and wondering why we are here, because what it will do is raise the price of 40 percent of our crude oil to $13.50 a barrel, over a period of 30 months, and after that it does not say anything. It can go through the ceiling to $100 a barrel, or anywhere it wants to go. The President has not said where it will go, and the Members here do not know where it will go, and I will say that I do not know where it is going to go. I do not believe any man in this House can say where the price will go.

If this price is allowed to go up, every farmer is going to say, "Why are you raising the cost of gasoline I have to put in my tractor, the cost of propane I have to use, the cost of fertilizer that comes from crude oil?" He is going to say the Congress abdicated their duty and turned it over to the President who was not even elected by the people, who is ruling this country now by veto.

The cost of coal will skyrocket as oil goes up, because the oil companies own 80 percent of coal in America.

A lot of people say, "Why is coal going up? Why is there no ceiling put on that?"

There should be a ceiling put on coal, just the same as there is on oil.

Natural gas will go up with it, and nearly all the homes in this land and in the large cities are captives of those companies because they have their pipes in the homes and whatever they charge they are going to have to pay.

I do not see how any Member in this Congress can not vote for this resolution to disapprove the President's message. I just cannot see how they can do it and go back and tell their people they are representing them. I know I would have a hard time doing it in my district. They would say, "You are representing the big oil companies in America, and we will send somebody down who will represent us."

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, for the benefit of the chairman of the Committee on Interstate and Foreign Commerce, I will state that I rise in strong opposition to this resolution of disapproval. I urge my colleagues to reject it and to take advantage of this excellent opportunity to finally move positively on the issue of energy.

Let me briefly describe the elements of the President's proposal that this resolution seeks to disapprove.

First, the President would provide for the decontrol of old oil, that is, oil currently price-controlled at $5.25 per barrel, over a period of 2½ years or 30 months.

Second, the President's proposal would place a ceiling of $13.50 on all oil, whether presently controlled or uncontrolled. Both old and new oil would be limited in their ability to rise in price beyond $13.50. So whatever the OPEC prices went to, oil in this country would go to $13.50.

Third, the President recommends that Congress should enact a tax rebate structure and a windfall profits tax to reduce any potential impact on consumers that the decontrol plan would have. The President has no authority under the Emergency Petroleum Allocation Act to mandate that by fiat. Our committee cannot mandate it in H.R. 7014. It must be proposed by the Committee on Ways and Means to be enacted or it can come back from the other side of the Capitol when that body has completed its consideration of the so-called Ways and Means Committee bill that is now before it and which we had an opportunity to work on in this Chamber about a month ago.

As I have indicated, the proposal presents a unique opportunity for the Congress to finally move forward with positive action on an energy program and to reach a viable compromise with the President, the type of compromise called for by the Washington Post in its editorial yesterday.

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

Mr. BROWN of Ohio. Mr. Chairman, I will say to the gentleman from Texas I will yield when I finish my statement. If the gentleman will be patient with me, I will be glad to spend as much time with him as I can.

Mr. Chairman, the President has gone a long, long way in attempting to satisfy the diverse attitudes and interests of Congress on the question of price controls. Let me briefly review how far the President has come in moving toward Congress on this issue.

In his January energy message the President called for immediate decontrol of all old oil by April.

However, Congress strongly objected to this on the basis of the potential negative impact on the economy of decontrol.

Responding to those objections, the President changed his immediate decontrol plan to a plan for gradual decontrol over a 25-month period, a plan which was not offered to the Congress, but was presented in the Federal Register for notice and comment.

The President put it in the Federal Register, even though the extensive analysis the President had done and which had been performed by the Federal Energy Administration indicated that the impacts on immediate decontrol would not be great.

This phased decontrol plan was published in the Federal Register on May 1. Then, when he discovered that the Congress was still dissatisfied with his approach because of the threatened OPEC oil price increase that has not occurred yet, but is still threatened for some time this fall, the President not only lengthened the time period for decontrol from 25 to 30 months, but also added a cap of $13.50 beyond which the price of domestic oil could not go.

Thus, the President has moved from immediate decontrol of old oil to a 25-month decontrol, and finally, to a 30-month decontrol with the addition of a $13.50 cap or ceiling on old oil prices.

This is certainly a long way from where the President started in January, and I ask the Members, in fairness, where has the Congress moved from? The Congress has moved from a position of "No, we do not want decontrol. In other words, we will just leave the system as it is."

That is the system that creates the entitlements program, which forces companies that have invested in the past and currently have been investing in the production of oil in this country, to pay entitlement fees from their own funds to those companies which invested in foreign oil production.

That is the program with which the Congress started out, and they want it to continue. They want us to pass in a bill from the Committee on Interstate and Foreign Commerce, a program not only which is to continue the present program, but is to roll back the prices of oil to something unrealistically low.

Mr. Chairman, that is how far the Congress has come. I would submit to the Members that that is not much movement toward compromise.

The FEA analysis of the President's 30-month decontrol plan indicates that with the phased decontrol of old oil, the decline in domestic production will be arrested, and by 1985 there will be an estimated 1.4 million barrels more per day in domestic supply. The President's program increases the production of domestic oil. Is that what we want to do or is it not?

In addition, import savings of approximately 363,000 barrels per day will result. Both of these trends will reduce our dependence upon OPEC price and supply policy and significantly reduce the impact of a future Arab oil embargo.

I might say further that it will very likely reduce the prospect of a sharp Arab price increase this fall because we are on our way to stimulating both production of domestic oil and consumption conservation. Those are twin objectives that will reduce our dependence on foreign oil.

For example, the 1977 cost of an embargo without the program would be approximately $33 billion, whereas the cost of an embargo with the President's program would be approximately only $12 billion. By 1985, the cost of an embargo without the President's program would be $110 billion.

We talk about economic impact on the United States and what we could be doing to the cost of oil to the consumer. If we do not have some kind of program that will encourage the production of domestic oil, the economic impact of an embargo is going to be immense, whereas with the program, by 1985 there would be essentially no cost to the United States of an Arab oil embargo.

Of additional importance is the fact that without the President's program, in 1977 approximately $2 billion more would flow out of the economy to the OPEC nations. By 1985 this additional dollar outflow would be $50 billion without the President's program.

The economic impacts of the President's decontrol plan are minimal. Petroleum prices to the refiners and hence to consumers will increase but not by the amounts that have continually been stated in the past week's debate. Gasoline prices will increase gradually over the two and a half year decontrol period to a total increase of 7 cents per gallon by the end of 1977, while total additional costs per household will be about $114 annually.

In macroeconomic terms, the FEA analysis indicates that the decontrol plan would insignificantly affect unemployment levels in 1975 and 1976, and would increase the unemployment rate by only 0.1 percent in 1977. The inflation rate would increase by 0.5 percent—half a percent—by the end of 1977. However, with the President's requested windfall profits tax and import fees rebated to the lower and middle income consumers—and that is that secret part of this plan, and which never seems to get much attention with the proposal—the impacts to the middle and lower income consumers would be muted on those least able to incur the additional costs.

Mr. ECKHARDT. Mr. Chairman, would the gentleman yield?

Mr. BROWN of Ohio. Mr. Chairman, I have advised the gentleman that I would be happy to yield to the gentleman after I have completed my statement.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, as I say, those impacts would be muted on those least able to incur the additional costs of petroleum going to $13.50 cap, if, in fact, that is where it goes.

Although GNP would decrease by approximately $1 billion in 1976 and $5 billion in 1977, compared to what it would have been, appropriate fiscal and monetary policies would completely offset these decreases.

And I do not make that statement on my own but, rather, that is the statement of the joint economic study, buried within that study, of course, but nevertheless there.

Thus, the impacts are small, particularly when the potentially drastic effects of an embargo are considered. These impacts are indeed light and bearable if in the process of coping with them we remove ourselves from the stranglehold of OPEC and the threat of future embargoes.

Mr. Chairman, in conclusion, it is clear that Congress has a unique opportunity here to compromise and to move forward on a positive energy program. The decontrol plan of the President has been modified extensively from the plan he first suggested in January to satisfy congressional critics. The plan would not have significant impacts on the economy, would stimulate production and, most importantly, would move to reduce our extensive dependence upon foreign oil.

Mr. Chairman, I urge my colleagues to take advantage of this opportunity and to reject House Resoultion 605.

I am now delighted to yield to my colleague, the gentleman from Texas (Mr. ECKHARDT).

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

Mr. Chairman, as the gentleman in the well knows, ordinarily when a President has a major tax bill like, for instance, a windfall profits tax, it is embodied in some piece of legislation which the President ordinarily requests the chairman and ranking minority member of a committee to introduce in his behalf.

Mr. BROWN of Ohio. Mr. Chairman, let me just say to the gentleman from Texas—and I am speaking on my own time—that——

Mr. ECKHARDT. Mr. Chairman, would the gentleman from Ohio please permit me to finish?

Mr. BROWN of Ohio. Mr. Chairman, may I have order? I refuse to yield further.

The CHAIRMAN. The Chair will state that the gentleman from Ohio has control of the time.

Mr. BROWN of Ohio. Mr. Chairman, first may I respond to the first part of the gentleman from Texas' statement. No, I do not know that, because this President has never submitted, and has indicated through his staff that he does not consider it appropriate for a President to submit, to the Committee on Ways and Means, the precise legislative language of any bill that would be considered by the Committee on Ways and Means for a tax bill, because he feels that that ought to be written in the Committee on Ways and Means.

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

Mr. BROWN. He has submitted general guidelines from time to time on those items which he prefers, and he has done so in this case.

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

Mr. BROWN of Ohio. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Will the gentleman tell me what percentage of plow-back exists in such bill and at what point in price such tax applies under any suggested program which the President is now asking for?

Mr. BROWN of Ohio. I might say to the gentleman that the proposal that the President initially submitted in January called for a windfall profits tax, a plow-back, and rebate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 4 additional minutes.

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

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

Mr. Chairman, I have been most interested in the debate. When the gentleman asked the question about the proposal on the part of the President, it is my understanding he did submit a proposal somewhat around January 15 in his message. But the point is that all throughout the talks on the Committee on Ways and Means energy bill—and that is the committee that should write the windfall profits provision—all through that debate we were denied the opportunity to present any form of program for windfall profits. Right up to the very last meeting of the Committee on Ways and Means, the gentleman from New York (Mr. CONABLE) insisted that that proposal, or at least some broad guidelines, be introduced into that bill. That was not done, so I can hardly see how it could be questioned now.

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

Mr. BROWN of Ohio. I yield to the gentleman from Florida.

Mr. FREY. I thank the gentleman for yielding.

I think, if I am not mistaken, in the

message of January 15 on page 15, section 3, if the gentleman had read it, is contained basically the windfall profits tax and what he intended to do in the general outline of it. But it is right there to see.

Mr. BROWN of Ohio. Mr. Chairman, I would like to continue with my statement so that I can read to the Members—which I do not ordinarily do—from an editorial of the Washington Post of July 21.

Mr. ECKHARDT. Mr. Chairman, if the gentleman intends to read, I may intend to make a point of order under the rules of the House.

The CHAIRMAN. The gentleman from Ohio (Mr. BROWN) has the time. If he chooses to yield, he may.

Mr. BROWN of Ohio. Mr. Chairman, the editorial in the Washington Post of July 21 says:

Plainly, the situation cries out for compromise. Just as plainly, it is difficult to see exactly how a compromise can be struck between two parties so diametrically opposed in their approach, with one wishing to tighten oil price controls and one wishing to loosen them. In our view, the President has the best of this particular agreement. While seeking to soften the impact of further increases in the price of oil, he would adhere to some discipline in consumption of oil in furtherance of a sensible, long-range effort to free this country from a dangerous over-dependence on foreign suppliers. By contrast, the Democrats in Congress are offering a permissive quick fix in the form of temporary relief from higher prices for oil products at the cost of heightening consumption and thus increasing American reliance on the whim of foreign oil producers.

This is not me telling the Members what I think of H.R. 7014, or supporting the President's effort at compromise. This is The Washington Post's view. They go on to say the following:

The Democrats do not have to accept the President's formula. But they should seek a compromise on this question within the framework of his general approach. The President, for his part, is going to have to take into account congressional concern over the assorted economic ill-affects of even modest, gradual increases in domestic oil prices as a result of easing off the controls. In short, the best way to find room for compromise is to widen the area of the negotiation beyond the narrow question of oil prices. When the issue is seen in broader economic terms it becomes possible to visualize a tradeoff that would permit the President to slack off oil price controls but require him to come forward with positive measures, centering on tax relief of one form or another, in order to cushion the economic shock of more expensive oil. There is probably no perfect formula that will entirely satisfy either side. Without some urgent and constructive efforts to find some accommodation, however, inexorable events will make the decision for both Congress and the President and the predictable consequences of that could be calamitous for both.

The opening paragraph of the New York Times editorial today says:

The politically motivated impasse between Congress and President Ford on the domestic control of oil prices is threatening to leave the country and the consumer in an intolerable situation. Mr. President, the time has come for compromise on this issue.

Mr. STAGGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Chairman, I have been listening for better than an hour to the eloquent pleas for compromise from my good friends on the Republican side of the aisle and I hope my remarks can influence possibly one or two friends on that side.

We do not think there has been compromise. We do not think there was compromise from the President on any one of the last 5 or 6 vetoes. Where was the compromise on the veto on strip mining? Congress gave in on several substantial matters, but on repassage, again a veto resulted.

Where was the compromise on the bill for $60 million to promote tourism in America this year? There was no compromise in that veto.

What this country must have in addition to continuing a high profit for the exploring for domestic oil, is a semblance or appearance from which people can perceive that something is being done to keep prices down. Where was the Attorney General and where was President Ford on the 4th of July when every major oil company in America just coincidentally took a 2-cent to 5-cent per gallon price increase on the same weekend celebrating the independence of our glorious country? How contrived can price-fixing be and still avoid prosecution?

So I will not belabor the point. We are at an impasse. Everybody is involved. But there has not been White House compromise, I will say to my friends from the Republican Party, and there is not compromise in this President's proposal.

We have to keep struggling to find some basis that lets the common man feel he has a voice in the action, and someone is speaking for him. No one is speaking for the consumer any more. We ought to be here singing a requiem for the death of the free enterprise system when 80 percent of our strippable coal leases now are owned by the same companies who control virtually all sources of our energy—gas, coal, oil.

Mr. STAGGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado (Mr. WIRTH), a member of the committee.

Mr. WIRTH. Mr. Chairman, I thank the gentleman from West Virginia for yielding.

Mr. Chairman, the gentleman from Ohio has spent a great deal of time discussing the great new compromise which has been made by the President as if nothing has been done on the House side whatsoever. The gentleman correctly points out the President has moved from abrupt decontrol to a 25-month and now 30-month decontrol. It is appropriate that the gentleman should recognize that the House passed a bill on the floor a year ago to roll back the price of new oil to $4.25 and is moving now toward a more moderate middle ground position. I suspect we will begin to see both sides moving toward the center.

Now, it is important that both sides be aware of the two predominant issues. The first is the price of old oil and the second is the price of new oil. On the price of old oil the administration has suggested a decontrol measure over 30 months. Many of us on the Democrat side feel that it is very difficult for us to justify providing more revenues to companies for old oil when they found that oil for minimal cost. Decontrolling over a short period of time will provide major revenues to the large oil companies that are already making a great deal of money.

The question of old oil is the timetable of how we are going to decontrol old oil. A number of proposals have been made on our side, have been agreed to in the Eckhardt and Krueger amendments.

On the question of new oil the administration is insisting on a $13.50 lid on new oil. There is absolutely no justification for a price that high. There was no testimony given to the Committee on Interstate and Foreign Commerce, the Subcommittee on Energy and Power, chaired by the gentleman from Michigan (Mr. DINGELL) which would justify a $13.50 ceiling. That is much too high for the consumer and much too great a return to the oil companies.

The administration continues to insist that there is a need for a high price to conserve fuel, but again the evidence does not exist that a high price at a level like $13.50 is going to provide a conservation effect.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. STAGGERS. Mr. Chairman, I yield 1 additional minute to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, the final point that has to be made is that there is not evidence that a price as high as $13.50 is going to provide a conservation effect. There is no reason why we in the Congress would be voting for as high a price as $13.50.

Mr. Chairman, I think all of us believe it is time for agreement, all of us can agree it is time to work this thing out, but let us not talk as if one side, the White House, is giving. The Democrats on this side of the aisle are also giving. It is time to come to an accommodation on the deregulation of old oil and on the lid for new oil. Those are the two measures at issue in the President's message on decontrol.

Mr. Chairman, I stand in support of the resolution we are voting on today.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, I would urge a no vote on this resolution, as I think again we are doing just what we have been doing all year. We are getting in a rather inflexible position in the veto game and this time we are playing the veto game in the middle of July. On the very important issue of energy we are in a situation where all controls are going to go off and we have no compromise on either side. We have to start someplace to develop a consensus.

In reading the President's message, I think the White House has made many changes in new energy pricing policies

and good changes since January. In January the White House wanted to decontrol old oil immediately, which would have greatly increased an already high inflation rate exacerbated our recession. The President was very much opposed to a cap on the price on any oil and he had no plan to return the money back to the people who would be most hurt by paying for the price of oil. Here now we have the President's proposal. The President puts a cap on of $11.50 to the producing of new oil and then deregulates old oil over a 3-month period.

I think he has gone a long way. He has not come all the way. If I were writing this, I would probably add at least another 12 months on to the deregulation period. I might run the cap down to $10.50, but I would not run it down any further.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield for a correction of the figures?

The CHAIRMAN. The gentleman from California refuses to yield.

Mr. REES. Mr. Chairman, I just think when we have the ability to start defining the area of negotiations, we should start negotiating and come out with a compromise plan that we can all live with.

I think a lot of progress has been made. I think it is wrong to be playing legislative hardball at a time like this by passing resolutions, vetoing the President's plan, and we are asked to override vetoes. We have an area that has been defined for compromise. I think we ought to shed some of our own egos and start compromising on both sides something that will help solve the problem we have today.

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

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

Mr. OTTINGER. Mr. Chairman, why does the gentleman want to see the price of oil go up to the world price of $13.50 at all?

Mr. REES. Well, it is $11.50 with a $2 cap, but I would say we have to eventually deregulate old oil and we should get old oil up to that price because of the problem the overall market has with allocations.

I think there has to be more or less a uniform domestic price of oil across the board. In fact, this is why I like the Presidential cap of $13.50 because it restricts the price from following the OPEC price.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield the gentleman 1 additional minute.

Will the gentleman yield?

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

Mr. BROWN of Ohio Mr. Chairman, I want to say that I thank the gentleman. The two of us are members of the 89th and ½ club. We came to Congress on the same day, and we have had some success in staying until now.

I compliment the gentleman because he has been burned with the fire in this circumstance. It was he, along with others on this side of the aisle on the minority side, who put together the compromise on the housing bill. After we proceeded to play this game of chicken, we came out with a sound compromise, except that in that problem, as in this one, we wasted 6 months.

Mr. REES. Yes, and the sound compromise meant $10 billion worth of 7½-percent-interest money to build new houses, and it is now law.

Mr. BROWN of Ohio. And we have made some progress in that area. This is where we need some progress also, and we can make it through some kind of compromise effort.

Mr. REES. I hope we can reach a compromise.

Mr. STAGGERS. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I only take this time to clarify the figures. The figures the gentleman in the well used for price, as I understood it, was the price of $11.50. The error he makes—and the gentleman is usually an extremely careful man with figures and economics—is that the price is $11.50 plus a tax of $2, making $13.50.

But, the trick of the situation is that the ceiling is placed at $13.50 at a time prior to the time that the Ways and Means Committee has had time to put into effect a tax, so what we are permitting to happen is that the price of new oil can go to $13.50, not $11.50, so as to place the entire burden on the people of the United States. There may or may not be a tax.

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

Mr. ECKHARDT. I will yield to the gentleman because he deserves to be yielded to. If I have been in error, I want him to correct me.

Mr. REES. We are only talking about an area of compromise. I think the limit should be $11.50.

Mr. ECKHARDT. I refuse to yield further. I am merely trying to correct facts, not argue the question.

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

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

Mr. OTTINGER. Mr. Chairman, this is in fact no compromise, it seems to me. Am I correct that the President said that he will not accept $14.30; he will not accept a direct extension of the Emergency Petroleum Allocation Act? He says:

> Take this or I will not accept anything else. Take it or leave it.

Mr. ECKHARDT. The gentleman is absolutely correct. Indeed, our bill, H.R. 4035, would do what the gentleman from California is talking about. It would place a $11.28 ceiling and it would provide for the continuation of the present allocation law until we have had an opportunity finally to settle the question.

Mr. OTTINGER. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I rise in opposition to House Resolution 605. This resolution is a classic example of the depressing state of affairs regarding the serious petroleum problem facing the United States. It is a resolution of disapproval. It is easy to say no, and it is much more difficult to act affirmatively.

The no-action impasse situation which we find today will only be aggravated if House Resolution 605 is approved, in my judgment, and H.R. 7014 is passed as reported. A rejection of gradual decontrol and a rollback of crude oil prices may have some short-term political appeal, but continuation of such a policy can only result in long-term economic and political disaster.

There indeed might be some temporary consumer relief from high petroleum product prices, but we would pay and pay dearly for the resultant expanding oil consumption and the concurrent increased dependence on the volatile mood of the oil sheiks. The two oil measures before us today only postpone the inevitable and thereby will make coming to grips with the oil reality more unpleasant for the delay.

We must cut oil consumption, reduce imports, and increase domestic production. As unpleasant as this approach may be, there is no other way out of or around this dilemma over the next few years. The time to bite the proverbial bullet has arrived, instead of deluding our constituents and ourselves into believing that we can wave a legislative wand and make the oil crisis get better or go away. We cannot, and there is no painless, cheap way out of our predicament. Within the next 25 to 40 years the world's oil well will run dry, barring a major unforeseen technological breakthrough. During that same time frame, demand for petroleum will continue to increase. It does not take an economic genius to realize that rising aggregate demand and falling supply can only result in oil prices that will continue going up and up.

This week we can do one of two things. We can pass the two oil policy charades before us today and subject the people and industry to an administrative monstrosity that soon will cause long lines at gas stations and impose reams of red tape and bureaucratic imposition on a significant segment of the business community. At the same time, we will become increasingly more susceptible to Arab passions and oil boycotts. The alternative is to use the admittedly imperfect device of the marketplace and its pricing mechanism to reduce demand and encourage domestic oil recovery and exploration.

I do not feel we can remove all controls today without serious economic impact. But phased decontrol over a 30-month period makes a lot of sense to me, with a windfall profits tax and a plowback provision. I feel the President's approach would move the Nation toward less dependence on foreign oil. It will accomplish these necessary ends without the swarm of bureaucrats to administer economic regulations. Realistically, this approach will cause some immediate pain to the American people, but may I respectfully suggest that it will not be nearly as burdensome over the long haul as trying to maintain a lid on domestic crude oil at $5.25 a barrel,

and most Americans are smart enough to see that.

To me, a no vote against House Resolution 605 is responsible and in the Nation's best interest.

Mr. STAGGERS. Mr. Chairman, I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, there is no energy shortage, only a shortage of know-how to convert known energy sources to economic uses.

Two basic arguments have emerged from the debate on the various energy bills we have considered in this session. One argument is that we must decontrol the price of oil and gas to insure economic incentives for exploration of additional sources. The counter argument maintains that we must regulate the price of oil and gas because we are so dependent upon them and that to allow inflated petroleum prices will further multiply our economic troubles.

Neither position, in my estimation, takes into consideration the possibility or the necessity for change in the direction of our energy policy.

We have become far too dependent upon oil and gas. It is a mistake to continue this dependence with legislation and national programs that will prolong such a policy. Oil and gas are important, but they are finite fuels.

I believe it is time for a change of direction to a national policy which moves away from oil and gas dependence to a mixed energy base, including, but not limited to, cellulose, coal, solar, nuclear, geothermal, hydrogen, oil, and gas.

Mr. Chairman, America must kick the oil and gas habit.

I will vote to disapprove the President's order on oil decontrol and will vote to override his veto of the oil price control bill because to do otherwise would be to continue in the same direction that has made us dependent on oil and gas.

The power that oil and gas interests wield in this country has restrained the natural development of nuclear power and thwarts the development of our coal potential. A 1971 report of the House Small Business Committee stated that the major oil companies account for 72 percent of the natural gas production and reserve ownership, 30 percent of the domestic coal reserves, and over 20 percent of the domestic coal production capacity, over 50 percent of the uranium reserves, and 25 percent of the uranium milling capacity.

The report also pointed out that the major oil companies were acquiring oil shale and tar sands, as well as water rights, throughout the country.

With such a degree of control, it is no wonder that our research and development of alternative sources of energy have been stymied.

We have become the victims of the major oil companies' domination of the supply of energy. Such domination, along with their stronghold on the transportation and distribution networks, appear to me to be a sufficiently strong argument for continued regulation of the oil industry. This domination also prompts me to suggest that the lack of competition in the oil industry may well establish the need for new antitrust laws.

Mr. BROWN of Ohio. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, as the sponsor of an identical resolution, I rise in support of House Resolution 605, a resolution disapproving the administration's plan to decontrol domestic oil prices. Last Wednesday, as soon as I received notification that the administration had formally proposed its decontrol plan, I introduced House Resolution 604, which has been cosponsored by 24 other Members. My resolution is identical in intent, and only slightly different in language.

I oppose the President's oil decontrol plan out of a deep sense of conviction and urgency. I am very concerned that any release on oil prices at this time would halt economic recovery in New England, put us back into a recession, increase unemployment, and further impose disproportionately high energy costs on the northeast sector of the Nation.

Just last month, the Federal Energy Administration's New England regional office released a report that demonstrated the urgency of maintaining price controls.

In New England, 85 percent of all energy consumed comes from oil. This overwhelming dependence on oil is unmatched in any other part of the country. Any increase in the price of oil would hit New England hardest.

The conclusion of the FEA report is chilling. This study compares the prices paid for energy by the end user—in New England—to those in the United States as a whole. It concludes:

> In 1974 the prices paid for energy were 35 percent higher in New England than in the United States. This is an increase over the 1973 differential of 32 percent and the 1972 differential of 28 percent.

The report also compares the cost of energy in New England with the rest of the United States:

> In New England were taken out of the U.S. figure, in 1974 the energy prices in New England would exceed those in the rest of the United States by 38 percent.

Every time oil prices go up in New England, it becomes more difficult for our industries to compete in national and international markets. I see this every day in my own congressional district. I have over a dozen paper mills which compete with Canadian imports and with Wisconsin mills that consume cheap, price-controlled natural gas.

I have several hand tool industries that must compete with cheap imports from Japan, Korea, and India. I have rose growers and other greenhouse producers that compete with farmers in California and Florida.

Every time I see the price of oil increase, these industries in my district lose another bit of their competitive edge—while their cost of doing business in Massachusetts has gone up again. Higher fuel prices are forcing some industries to close or move away. One example is carnation growers in Massachusetts. There used to be dozens of these flower growers in the Bay State, but the high cost of heating greenhouses year-round, along with a flood of cheap imported carnations from South America, has put almost every carnation grower in Massachusetts out of business.

In terms of dollars and cents, the administration's oil price decontrol plan would have a devastating effect on the people of Massachusetts. The Massachusetts Energy Policy Office estimates that decontrol would cost Massachusetts families more than $200 a Year. There are many people who can afford to pay that amount and more. But there are also thousands upon thousands of Massachusetts and New England families who have been clobbered by recent price hikes and the tariff and cannot afford to pay any more for fuel. Last winter, even though the weather did not get too cold, I heard from many of these people—especially those who are retired, disabled, handicapped or too old to go back to work. Many can afford to heat only one room in their house when it gets cold. Many others, even as they suffer with arthritis and other disabilities, can only afford to heat their home up to 60 degrees—or less.

For these people, any oil price decontrol plan at this time represents a cruel and callous disregard of their plight by the Federal Government.

Overall, decontrol would cost Massachusetts almost $1 billion a year. Such an impact on a State with less than 6 million people is unconscionable.

Mr. Chairman, 2½ years ago, the major oil companies were telling the House Interstate and Foreign Commerce Committee that they would insure a plentiful supply of oil for the United States if they got $4.50 a barrel. Last year, the oil barons and the administration told Congress that $7.50 a barrel was their long-term price objective.

Now the plan is to jump up the permissible price of domestic oil to $13.50 a barrel—a totally inexcusable and unjustifiable rip-off on the American consumer and a shameful genuflection to the price-fixing power of the OPEC nations.

Mr. Chairman, I am getting tired of hearing the major oil companies say that they need these outrageously high prices to pay for the costs of exploration and production when just a year or two ago they came to the Congress crying that they needed just a fraction of the proposed decontrolled price. And then, at the same time, I see Mobil Oil Co. buying up the parent corporation of Montgomery Ward for $400 million and Gulf Oil Co. trying to buy the Ringling Brothers Circus for $100 million. So what do we believe—what the oil barons say or what they do?

Mr. Chairman, I am very dismayed by this proposal to decontrol oil prices. It comes at a time when the administration has imposed stiff oil import tariffs, which also discriminate especially hard against New England. It comes on the verge of a severe natural gas shortage this winter, that will certainly send demand for imported oil skyrocketing as

Midwestern and Southern industries and utilities find they suddenly must switch from gas to fuel oil. And this proposal is also concurrent with another equally foolhardy idea—the program of the House majority leadership to impose oil import quotas on the Nation.

If all these matters come to pass—price decontrol, continued tariffs, natural gas shortages, and import quotas—this is going to be a disastrous year for New England and the entire Nation as well. These proposals would guarantee fuel shortages, long gas lines and skyrocketing prices.

I urge my colleagues to examine the impact of oil price decontrol on New England and on their own district. And then I urge them to vote for this resolution.

For the record, I submit the report of the FEA New England regional office on regional price differentials for energy and a factsheet on the impact of decontrol prepared by the Massachusetts energy policy office.

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

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

Mr. MOFFETT. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Massachusetts (Mr. CONTE), and I will ask this question about the gentleman's concern about New England and his understanding of the effects of decontrol.

We have heard a number of rather devastating economic objections as to the cost per family of decontrol. We heard one recently of $900.

Does the gentleman have any idea of the projected cost per family in New England, for example? It will be, we can fairly say, devastating. I think the gentleman will agree with that.

Mr. CONTE. To answer the gentleman, I think it is devastating. The projected cost per gallon for fuel oil would be a little over 7.5 cents and for gasoline it would be a little over 7.5 cents.

Mr. MOFFETT. Is the gentleman aware of the impact on utility bills, for example?

Mr. CONTE. Definitely. Right now, with the adjusted fuel cost added to the electric bills, it is about $200 a month for the utility bill for our all-electric home, and this would tack on at least another $50, which is much more than the mortgage payments, the principal and interest payments on the mortgage that a person has to make of his home today.

Mr. MOFFETT. There would be a similar devastating effect on the cost of home heating oil and gasoline; is that correct?

Mr. CONTE. It would be 7.5 cents a gallon, at least.

Mr. MOFFETT. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, as I heard my distinguished colleague, the gentleman from Massachusetts (Mr. CONTE) discuss energy, I was reminded of the time that the people in this country were primarily dependent upon whale oil. Whale oil came from the sailing ships, the schooners, and oil ships out of New England. They eventually raised the price of whale oil so high that America developed a wonderful substitute. They discovered kerosene. When they found kerosene, through the American incentive and genius, they began to develop more and more oil derivatives, and it was because the price of whale oil got so high that the American inventive genius began to utilize oil more and more.

If we make the price of oil too high we will see that American industry will develop substitutes; they will find other sources as alternates. But I will tell the Members this: If we make the price of oil and gas too low we will put everybody in America out of work.

Remember this, when we talk about energy, that 50 percent of the energy is for industry. Fifty percent of oil and gas creates jobs through industry.

We talk about the old man standing out in the cold and in the back bedroom, needing three overcoats to keep warm. But the real problem is: Will we have enough energy to keep our factories operating? As I say, 50 percent of our energy is used for industry.

Where does this energy come from? I will tell you where the energy comes from. Forty-six percent of this energy comes from oil; 30 percent comes from gas. Overall we are talking about 76 percent coming from the oil and gas we produce.

I have some figures here that we should evaluate. We seem to forget that we are not drilling enough oil in America, but are draining much of our oil reserves that we have in this country. We are overlooking the Arab oil countries. No one talks about the Arab oil countries. But the reason we went to $11.50 oil is because the Arab countries decided they would sell their oil for $11.50. If we think that $11.50 oil is too high, then I would suggest that when we are working on these compromises that if we put an embargo on all Arab oil, and we tell them we will not pay the Arabs $11.50. Then we could wait to see what happens.

Mr. ECKHARDT. Mr. Chairman, would the gentleman yield?

Mr. COLLINS of Texas. Mr. Chairman, I would rather complete my statement, because of the time limitation.

But if we want to keep America working, then we should go back and face reality because this country does not have adequate oil in reserve. We only have 5 percent of the world's economic oil reserves. It is more expensive today for us to develop oil fields in this country. What we have been doing in recent years is reaching in and using our past oil reserves. We have got to start drilling and drill more.

Let us see what will happen if we go in and start actively drilling. By 1980, according to the American Petroleum Institute, we could be producing 700 million barrels of oil. This would not be possible if we have price controls.

We can produce in this country 700 million barrels of oil, and also we would be creating 10 billion barrels of oil proved reserves.

It is time we started thinking about crude oil reserves, because we have got to have crude oil reserves provided for in the future. We have many dreams, but we keep talking about oil. I heard someone mention just a few moments ago—coal. They did not tell us how fast the price of coal has been going up, and we all agree to let it go up because we want more coal. Even though it creates only 18 percent of our energy, coal prices are going up.

I would like to refer to the metallurgical price of coal which in 3 years has gone from $15 to over $100. That is a six times increase. I would also like to remind my colleagues that when they talk about the big oil company profits last year, no one talks about how oil companies slumped tremendously lower this year.

In other words, we need to think about averages, but the big rising average is the cost of drilling, and the costs have gone up.

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

Mr. COLLINS of Texas. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I wonder if my distinguished colleague, when he is figuring the necessary price for oil in the United States in order to bring it in is averaging in whale oil.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. ADAMS) a member of the committee.

Mr. ADAMS. Mr. Chairman, what I am greatly concerned about it—and I will direct my argument in this part of the discussion to—the economic effects of what the President's proposal does to the presently very weak economy of the United States.

My colleague, the gentleman from Michigan (Mr. DINGELL), and I have circulated to the Members of the House a Dear Colleague letter that reflects the most recent information we have on what the effects of the President's program will be. Some of the Members have said, "You know, Congressman ADAMS, we have heard you make the same speech about three times now in the House in the last 2 weeks."

I will respond to my colleagues that the reason for my emphasizing these potential dangers is that we are under constant attack by the Administration to decontrol prices. We did not ask for this particular proposal. This particular proposal was a purely political, tactical move dropped right in the middle of the House's consideration of what we should do with oil prices. The President is saying "If there is going to be any continuation of the allocation system in the United States, then I, the President, am going to take the powers and create a law by regulation under the FEA that will raise the price of oil."

That has been the sole policy of the Administration since the beginning of this fight began in 1973. I have the speeches here where a number of us warned in the fall of 1973 and in the spring of 1974 when this House first began considering energy prices that we were going to have to use our domestic resources of oil to protect our people until new energy sources are developed,

or else we will take this oil-based econ-
addition to throwing it into a recession, we will have inflation at the same time. omy and throw it into a recession. In And people said we cannot have inflation and recession at the same time, but that is precisely what the oil increase in prices in 1973 and 1974 did to this economy.

I am now going to stand in this well again and remind my colleagues that back in the spring of 1974, as we attempted to suspend the rules of the House and pass yet another energy bill, I warned the Members that they were going to find themselves in a severe election problem when they go into the elections of November 1974. They poohpoohed me. Some said it was a naked political threat, and a lot of other things. It was not a naked political threat. I was not and I am not threatening anybody. I am just trying to explain what occurs when one gets up on the stump and tries to explain, in light of what we have seen happen to our people in this last year, that prices are again going to go up, and again, and again. What is going to happen is another massive shift of income from consumers who would buy other products, the products of people whom all of us represent, into the oil industry again.

I am just pleading with the Members not to do this. We are trying to discover a compromise plan. We have had meetings over the weekend and we will continue to have meetings. What we are trying to insure is that we phase into this economy something that will keep us from having very bad economic effects.

It has not, however, been easy. For example, it took us 2 days to get analysis of the President's plan because the FEA figures referred to by my colleague, the gentleman from Ohio, are simply incorrect. They are based on assumptions that are not correct. If we take the base assumption of where we are today, in other words with $5.25 old oil and with no control on new oil at all, and try to measure the impact of the President's program of decontrolling the price of old oil and setting the so-called $13.50 cap, which is not a cap because it includes the $2 tariff added to the world price, we get these effects.

We can argue about whether or not one model is somewhat higher or lower, but there is no doubt about the economic disaster we have just experienced in 1973 and 1974. All I am saying is that it is going to happen again in about the same basic system. We are going to increase unemployment.

We say by 800,000. If others want to argue that it is 700,000 as against 800,000 and ignore the fact that with either model it is going to increase under the President's proposal, all I can say is we are going to have to explain this increasing unemployment when we go back to our districts.

We are going to have to explain to our unemployed and to their families in our areas why we have allowed the price to be raised and have them become unemployed. We are going to have to explain to the consumers raising the prices 2 percent. Again, if we argue whether it is 1.78 percent or 2 percent, we are missing the central issue which is of greatest concern to our constituents.

Right now we have inflation down at a pretty flat level, but we are going to have to expect it to increase again if we raise up oil prices in our oil-based economy. We are going to take more money out of the gross national product. In other words, the money that went to people through the tax rebate and more will be taken away again. We agreed to the tax cut in order to stimulate the economy. The President's program will take the stimulus out.

The President's program will drop the bottom right out of the economy. You don't need any great econometric model to understand that very obvious fact. If we increase fuel costs, we will increase the cost of materials that go into housing and increase the transportation costs of those materials. And we will certainly increase the day to day costs of our constituents who drive to work.

We have gotten our people away from mass transportation systems and scattered them into the suburbs. The average workingman has to have gasoline and his demands get pretty inelastic when he has to go back and forth to work. If we then raise the price of gasoline, he has to ask for an additional increase in wages because that is the only way he can pay it.

Some have estimated that it could eventually cost the average American family $700 to $900 a year in additional expenses if we allow this kind of program to take effect. The people do not have this kind of it. There will come a point when they will have to stop working at the jobs because they do not have and can no longer afford the cost of it.

It is true oil is a diminishing resource. Anyone who claims that price increases will bring oil production up to take care of our future needs of America knows that cannot be so.

What we are attempting to do is gradually phase in limited higher prices so we can begin to shift our people and our economy away from a total oil dependence. We need to move people into different kinds of transportation than the present automobile; we need to begin to move back out of the petroleum-based fibers as a great many people in the cotton areas of the United States should be aware; and we need to get people off the petroleum-based fertilizers and off the use of butane gas.

I would close my remarks by saying this. We have just had a veto by the President of our willingness as a Congress to allow the price of oil to go to $11.28 just to extend the Allocation Act, and he will not even do that. So when we talk about trying to compromise, we have to keep in mind what we have already attempted and seen vetoed. Now we have before us this program which was jammed into the middle of our debate on H.R. 7104 and we have had to stop that debate, to deal with this pressing problem. I urge my colleagues to support the resolution disapproving the President's decontrol plan and move forward with our consideration of H.R. 7014.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I want to address myself to the studies to which the gentleman from Washington referred. The analysis by the staff of the gentleman from Michigan (Mr. DINGELL), I think, is not a totally accurate representation of the economic impact of decontrol, due to a number of erroneous assumptions of consumer rebates and the effect of decontrol on energy prices.

Unlike the analysis prepared by FEA, the so-called Dingell analysis excluded any consideration of rebates of excise taxes or windfall profits taxes, which are literally billions of dollars annually. Furthermore, that analysis modified the base case economic forecast by arbitrarily reducing energy prices by about 50 percent. Since the case with decontrol assumed the full price increase on top of the base, this modification resulted in a fourfold overestimate of the true increase in energy prices due to decontrol.

Mr. Chairman, it is obvious that these impacts of phased decontrol are overestimated, even compared with past analyses by the Dingell staff.

Mr. DINGELL. Mr. Chairman, will the gentleman yield for a question?

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

Mr. DINGELL. I did not get which report the gentleman is reading from.

Mr. BROWN of Ohio. I will yield in just a minute.

Mr. Chairman, for example, in the committee's report entitled "Major Effects of Decontrol on Domestic Oil Prices," on page 15 their analysis indicated that immediate decontrol and the addition of a third dollar import fee would reduce GNP by the end of 1977 by $4.2 billion. Yet in their latest estimate of phased decontrol with no increased tariffs, they now estimate a $26 billion decrease.

I find that not quite in bounds.

Mr. Chairman, from a book entitled "Elasticity of Demand for Gasoline Purchases of the Energy Resources Co., Inc." The figures for gasoline elasticity estimated by a number of different studies are as follows, and these relate to a 1-percent increase in price, as opposed to a percentage of 1 percent, or whatever decrease in demand.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself an additional 2 minutes.

Mr. Chairman, the Charles River and Associates estimate is somewhere between two-tenths and 1 percent full percentage elasticity for 1 percent demand.

DRI is a 0.28 percent.

Houthakker is 0.47 percent, with the highest study of Houthakker 0.82 percent. There is an elasticity factor related to the increase in price and the demand for the use of gasoline.

I would suggest to my friend, the gentleman from Washington, that that elasticity exists.

Now, one of the reasons for higher prices clearly is reduction in gasoline consumption which comes from the use of smaller cars, which comes from the use of carpooling, which comes from

the use of public transportation. Those kinds of savings, plus just driving slower, creates savings that is part of the objective of anything that allows the price of gasoline to go up.

Mr. ADAMS. Mr. Chairman, will the gentleman yield for a question?

Mr. BROWN of Ohio. I will in a moment.

Mr. Chairman, in addition to the encouragement of the production of gasoline, so we have both effects, conservation of consumption and production of gasoline. The hope is that we will be able to get by with our own resources one of these days.

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

Mr. BROWN of Ohio. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, I did not hear whether that was "River" or "Ripper" that had the study on the elasticity of gasoline.

Mr. BROWN of Ohio. Charles River and Associates.

Mr. ADAMS. Well, in the River statement, what I am curious about is did the FEA, if this is true, skew the pricing system on the barrel in favor of gasoline and against residual fuel oil fertilizers, if this was having that price effect?

Mr. STAGGERS. Mr. Chairman, I yield 10 minutes to the chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL).

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

Mr. DINGELL. I yield to my friend from Washington for the purposes of making a comment.

Mr. ADAMS. Mr. Chairman, I wanted an answer to my question to the gentleman from Ohio. If this was the system where he was going to have electricity in gasoline why did they skew the price in favor of gasoline? Why did the FEA do that with the so-called tilt toward gasoline by pricing it at lower prices than comparable parts of the barrel?

Mr. BROWN of Ohio. The presumption was that this is an area in which savings could be made.

Mr. ADAMS. No, it is just the opposite. They should not have tilted it that way.

Mr. DINGELL. Mr. Chairman, I agree with my friend from Washington, but regretfully decline to yield further.

Mr. Chairman, we have here before us a most curious situation. I have great respect for my friend from Ohio, who is a man of considerable intelligence and ability, but the hard fact of the matter is that the gentleman from Ohio has been reading from the wrong study. The study that we have made with regard to the administration's decontrol program is an entirely different document. That study is entitled, "Analysis of the President's July 17, 1975, Program to Decontrol Domestic Oil."

The study from which the gentleman from Ohio has been reading is a study made by the staff of the Subcommittee on Energy and Power which relates to the consequences of immediate decontrol of old oil. Parenthetically, for the benefit of my friend from Ohio, I would advise the committee that in either event the effect upon the economy is calamitous.

In order to ascertain the consequences of the President's proposal, we brought Mr. Zarb before the Subcommittee on Energy and Power to have them testify regarding the President's proposal for decontrol of old oil. Mr. Zarb told the subcommittee that at that time no macroeconomic studies had been made. He promised that those studies would be made available to the House on the following day. They were not made available to the House. The hard fact of the matter is that when this plan was formulated the administration did not know what the economic consequences of that plan were.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

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

Mr. BROWN of Ohio. I might say to the gentleman that Mr. Zarb did not appear before our committee after this plan had been submitted. He appeared before.

Mr. DINGELL. At the time of Mr. Zarb's appearance, the President had announced the details of the proposal. At that time, Mr. Zarb did not have any macro-economic studies of the impact on employment, on the cost of living, or any of the other important social impacts of this proposal. As a matter of fact, this analysis was not submitted to us until a day after the plan had been submitted to the House. We had to chase the FEA all around Robin Hood's barn to get the information from them.

Mr. Chairman, the House should support and adopt House Resolution 605. The House has a responsibility to act within the very constricted 5-day period allotted for review of the President's decontrol proposal. What does the President's proposal do? It raises all oil in this country to $13.50 a barrel, in 2½ years.

Now, we are working on legislation, H.R. 7014, which is a congressional proposal for the continued control of petroleum prices and for their orderly decontrol. I think the Congress has the responsibility to act in this area. I think we have a responsibility to say to the President, "We are working on this and we will make progress toward the enactment of legislation to see to it that decontrol takes place according to the will of the elected representatives of the people."

The decontrol proposal suggested by the President is not a policy of this kind. It gives a windfall of the most enormous proportions to the big oil producers. It cannot satisfy the criteria for a just and equitable oil pricing policy.

The President has claimed that his decontrol plan will have only a minimal adverse effect upon the economy. He has taken gasoline impacts as the basis on which we are to judge his plan. In point of fact, under his plan gasoline would experience a 7½ or 8 cent cost increase in about 2½ or 3 years. That is an increase of 14 percent. And a 14-percent increase on gasoline prices also means a 14-percent increase in every petroleum product used in the economy. I say that is too much, and I say it is not reporting fairly to the people on the consequences of the President's decontrol plan to talk in terms of gasoline prices and pennies per gallon increases.

The President has submitted to us an economic analysis. As I previously indicated, that analysis was not provided until the day following the submission of the proposal to the Congress or, in other words, after 20 percent of the time for congressional review had expired. Nevertheless, the staff on the subcommittee—and I want to say they did an outstanding job and they are an outstanding staff—evaluated the FEA analysis. The subcommittee staff analysis convincingly demonstrates that the FEA analysis of the President's proposal is both inadequate and misleading. The FEA analysis depends upon a number of assumptions, which are hypothetical, at best, and, at worst are totally false. The FEA makes a number of assumptions one of which is that no OPEC price increases will occur. OPEC has already told us what they propose in the fall. The FEA analysis assumes that the Congress will enact a windfall profits tax, a tax which has never been spelled out by the administration in any legislative form. FEA assumes that the unspecified windfall profits tax will rebate to consumers tax revenues to offset the adverse impacts of the administration's decontrol proposal. Our subcommittee staff accepted these administrative assumptions but compared the President's decontrol plan to a base case of continued controls. I would commend the subcommittee's analysis to my friend, the gentleman from Ohio, because the reading will benefit him greatly. Perhaps after he has read the analysis he will have an appreciation of what the staff has actually said, because regrettably my friend and colleague, the gentleman from Ohio, was reading from the wrong analysis.

The FEA analysis is deficient for other reasons. FEA assumes that increased crude oil prices will not raise the price of natural gas and coal. Even more incredibly, the FEA assumes that higher crude oil prices will in fact result in a decrease of coal prices at the rate of 1.2 percent. One must ask, are they detached from reality? What is the basis of the assumption that coal prices will decline as oil prices skyrocket? Simply that higher crude oil prices will so bankrupt the economy and depress demand that the economy will not be able to pay for coal, and, therefore, coal prices will decline.

Perhaps that is a valid assumption, because this proposal is going to have a disastrous effect upon the economy.

As an aside, one might ask how the President can justify a short-term policy of higher crude oil prices and higher profits to crude oil producers, to encourage production of more petroleum, when that same policy will mean lower prices for coal and lower prices to coal producers, and thereby discourage coal production in the United States. This points up some of the curious aspects of the President's program. Encouraging increased coal production should be our long-term policy and we should not jeopardize it in pursuit of a short-term crude oil policy.

The administration has long contended that crude oil price increases have no perceptible impact upon natural gas and coal prices. The experience of recent months has indicated that this is false. As

I have indicated, in its zeal to support the President's decontrol plan, the FEA has actually assumed that crude oil price increases will bring about coal price decreases. Such an assumption skews the whole analysis of the administration and raises some questions in the mind of an honest man as to the competence of the makers of the FEA analysis and, perhaps, as to their intellectual honesty.

The base case selected—and this is not apparent in the President's message—is a 60-month decontrol scenario. What the FEA has done in its analysis of the cost of the President's decontrol plan has been to compare 2½-year decontrol of petroleum against 60-month decontrol. This is a most curious comparison, and certainly not one that will withstand scrutiny.

It is plain that selection of this scenario as the base case skews the whole result of the analysis because the administration assumes that the prices of energy are going to go up at the rate of 10 percent a year under the base case. The President's decontrol plan is projected by the FEA to produce an 11-percent-per-year increase. Thus FEA's analysis is based upon an incremental increase in energy costs of only 1 percent. This is a most curious kind of yardstick for a most curious kind of analysis.

Let us now go to the analysis that the subcommittee staff has made of the economic consequences of the President's plan. FEA says that unemployment is only going to increase .2 of a percent. The staff of the Subcommittee on Energy and Power has come up with figures that indicate unemployment is going to increase .8 of a percent, meaning we will have 800,000 more workers unemployed in this country. That, parenthetically, is nearly 2,000 unemployed workers per congressional district.

The President's figures assume that real gross national product will be depressed 0.84 percent. The Subcommittee on Energy and Power analysis projects a decrease in real gross national product of 2.86 percent.

Regarding wholesale prices, the FEA study says there will be a 2.40-percent increase. The subcommittee's study says there will be a 6-percent increase.

On consumer prices, there will be a 1.3-percent increase, according to the FEA. There will be a 2.04-percent increase in consumer prices according to the subcommittee's study.

FEA projects that housing starts will be down 4.68 percent under the President's decontrol program. If this does not encourage the Members to vote against the proposal, I do not know what will. However, the subcommittee's study projects a 15.92-percent depression in housing starts.

Let us take auto sales. The FEA analysis shows it depresses auto sales 3.31 percent. But the subcommittee's study shows a 9.65-percent depression, almost a 10-percent depression, in auto sales.

Mr. Chairman, this proposal by the President should be rejected. House Resolution 605 should be adopted, and then we should go forward on the writing of an intelligent, meaningful program, based upon careful consideration of the facts based upon concern for all factors, the human factor, employment, energy costs to the consumer, as well as the likely effects in terms of energy use.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I have the greatest of respect for my colleague and chairman of the subcommittee, the gentleman from Michigan (Mr. DINGELL), and I have great respect also for the staff. I appreciate the gentleman's remarks, and I know that he means what he says, particularly when his voice gets in that range.

But, Mr. Chairman, I will just say to the gentleman from Michigan that one of the reasons coal will not go up in price is because 80 percent of the coal in this country is currently under long-term contract. Only 20 percent of it is not under contract. That 20 percent may tend to go up in price, but the coal that is contracted for cannot go up.

The thing I find curious about my committee's report, which I, of course, did not see until after it came out, was that in the original report, which was published some 2 weeks ago or thereabouts, on immediate control, the impact on the gross national product was assumed to be something like $4.2 billion.

From a base of $881.9 billion, under immediate decontrol it would reduce the gross national product to $877.7 billion. However, then when we get to gradual decontrol, which it seems clear to me would not have quite the same impact, the impact is reported as 2.86 percent, as the chairman notes accurately, and that amounts to $26 billion.

Suddenly gradual decontrol has a more adverse impact than immediate decontrol, and I must say that I just do not understand that. It seems to me that there is something wrong with those figures on one side or the other, and that is why I have some question about it.

The fact of the matter is that neither report takes into account the question of rebates of excise taxes to the poor and middle class, and neither report takes into account the prospect of the use of monetary policy.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. BROWN) has expired.

Mr. STAGGERS. Mr. Chairman, I yield 1 additional minute to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, with all due respect to my good friends and colleague, the gentleman from Ohio (Mr. BROWN), for whom I have the highest regard and greatest affection, the hard fact of the matter is that our staff used the FEA model. We used the FEA figures, and we used the Harvard-DRI model, which was used by FEA.

The gentleman refers to coal prices. Long term coal contracts have an escalator built into their prices. Every time the cost of living goes up, as the Consumer Price Index goes up, these long term coal contracts go up. The cost of living goes up as oil and petroleum prices increase. Petroleum price increases have been the largest single contributor to depression and inflation in this country.

We have fairly used the same model as FEA, and we have made all of our assumptions available. We did it in 4 days. We made all the haste we could so that the facts would be made available to everyone, including FEA and my good friend and colleague, the gentleman from Ohio (Mr. BROWN) on the other side of the aisle.

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

Mr. DINGELL. Yes, I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, we really are concerned about the information referred to by our colleague, the gentleman from Ohio (Mr. BROWN), for whom we have great affection.

I just read from the elasticity report which was given by FEA. Reading the report demonstrates why we question the FEA figures.

The CHAIRMAN. The time of the gentleman from Michigan (Mr. DINGELL) has expired.

Mr. STAGGERS. Mr. Chairman, I yield 1½ minutes to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. I questioned the gentleman about the tilt on the barrel. We have some considerable doubt that FEA is doing a very good job in this.

When the gentleman quoted from a report on gasoline elasticity I asked him the name of the people because I could not believe he was quoting from the same source I have in my hand. He quoted some figures with respect to elasticity and that FEA had based a report on it.

I finally got the underlying report about 2 minutes ago and on page 46, it comments on the whole range of studies on elasticity of gasoline which have been used to show that raises in price will lower consumption and so on.

It concludes an examination of these studies with the following comment:

> This makes evaluation difficult. It leaves an unusually large role to the judgment of the reviewer. Any conclusion stronger than qualified ignorance is suspicious.

Mr. Chairman, I just do not think we ought to quite be using this kind of report as a basis for making the assumption that if we raise the price of gasoline, we are going to lower consumption and that we are just going to shift money from gasoline users to others. I certainly would not be prepared to argue here that the President's proposal should be adopted, based on this kind of study, because I think we ought to have a stronger basis for decision than qualified ignorance.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

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

Mr. BROWN of Ohio. Let us just look at the statistics in one area of elasticity. This will increase the price of gasoline.

The CHAIRMAN. The time of the gentleman from Washington (Mr. ADAMS) has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself an additional ½ minute.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Since the Arab oil embargo, the acceleration in the small-car trend in this country has been pronounced. Small cars have accounted for about 45 percent of the total industry

sales for the 1975 model year through July 31.

That is a sharp increase from 35 percent, as I recall, from the previous year. That is a factual bit of information on elasticity.

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

Mr. BROWN of Ohio. I yield myself an additional ½ minute.

Mr. Chairman, I do not know what assumptions were used with reference to elasticity in the studies by my colleague from the Committee on Interstate and Foreign Commerce, but I would call the gentleman's attention to page 7 of the new report, which says that gradual decontrol, costs the GNP $26 billion, and then on page 15 of the old report it says that immediate decontrol costs $4.2 billion. Those two figures just do not square.

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

Mr. BROWN of Ohio. Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. COLLINS).

Mr. COLLINS of Texas. Mr. Chairman, in this extensive debate that we have heard for many days, we always overlook speaking of what we pay the Arabs for oil, and we seemingly are concentrating on what we can do to underpay our own Americans. But if we start with basic mathematics, what is it we are talking about in crude oil? Let us take crude oil at $11.50 a barrel—and we seem to be glad to pay the Arabs $11.50 a barrel—let us just suppose we start paying the Americans $11.50 a barrel for crude oil, which seems very fair to me. There are 42 gallons in an oil barrel.

A price of $11.50 a barrel for 42 gallons means a raw gallon of gasoline is 27 cents. In other words, when we talk about the cost of gasoline, we are talking about 27 cents that the raw crude oil costs. We can all get on the floor and talk extensively about how gasoline is desired by the American public. And, as we campaign a year from now we can talk about how we would like to have a loaf of bread for a nickel, or many would like to have a bottle of beer for a nickel, or we would all like to be able to buy a new automobile for $600. But the fact of the matter is that we have inflation in America, and the reason we have it is because we have been the biggest spenders in the history of the world. We have overspent our budget by $100 billion and are facing a $100 billion deficit.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield, when the gentleman talks about a loaf of bread, I remember hearing that a loaf of bread would cost $1 a loaf.

Mr. COLLINS of Texas. We could pay that for bread. I am glad the gentleman has mentioned that, because inflation affects all commodities. But we have to remember that gasoline will cost more since we must pay for what it costs to produce it.

Yesterday I picked up the Oil Journal, and I read about the big discovery in Mobile, Ala., where they had to drill to a depth of 16,000 feet. I remember back when they found oil in east Texas, that they could find good oil and good oil sand at around 3,000 feet. It did not cost much to drill for it, but when you have to drill to find oil at a depth of 16,000 feet, you really have to pay geometrically more, and that it why it requires $11.50 a barrel.

Up in Alaska, it has been suggested to roll that Alaskan oil back to not more than $8.50 a barrel. You cannot produce most Alaska oil for less than $10, and some of it will go $10.50, and $11. Otherwise you are going to have to leave the oil in Alaska.

I always like to discuss Sprayberry production in west Texas. We know that oil is there, but we know we cannot produce it on any basis less than $10; that is what it takes to produce Sprayberry, because it is heavy rock, it is a slow flowing oil, it is not a very thick sand.

When we talk about going back and producing these inactive oil reserves, we are simply going to have to pay the additional price as we go along.

When we talk about the fact that it costs more, I can tell you why gas and gasoline cost more. It is because it costs more to discover and produce the crude oil.

In potential new crude oil, we have been talking about the tar sands, and the tremendous reserves if we could produce it.

Sun Oil Co. went up to Canada and spent $300 million, did an extensive job of developing a refinery and trying to recover oil from these sands. They lost money every year, every year, every year. I think their losses went up to $80 million, until the market finally started paying them a fair price, and last year they turned the corner and got in the black.

So we have to pay a fair price in order to get anywhere if we are going to produce more oil, and particularly more American oil, so we can be self-sufficient.

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

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

Mr. ECKHARDT. Mr. Chairman, the gentleman knows something about Sprayberry oil, but I would assume the gentleman from Alaska also knows a lot about the Prudhoe Bay oil. Does the gentleman in the well not recall that the gentleman from Alaska said that can be produced for $7.55 a barrel, and that the limitations are at the wellhead?

Mr. COLLINS of Texas. I remember the gentleman from Alaska said that all of the estimates in Alaska have been more than doubled. He said when they originally built that pipeline, they thought they could do it for $900 million, and they found that it cost $7 billion. The oil is not yet flowing in Alaska. When it gets flowing and they finally thaw it out, they are going to find it is going to cost $10.

Mr. ECKHARDT. If the gentleman will yield further, the gentleman is correct in that the first estimates were around $4, so $7.55 comes pretty near double, but still $7.55 is still a good deal less than $13.50.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas.

Mr. Chairman, will the gentleman yield?

Mr. COLLINS of Texas. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. The fact of the matter is that all of the oil in Alaska, pray God, does not come from Prudhoe Bay. There is additional oil in Alaska besides Prudhoe Bay which is going to be considerably more expensive. I have a figure on the Alaskan oil from a study made by one of the companies investing there, which gives the price that squares with the price given by the gentleman from Alaska, who is not on the floor at the moment. But they go on in this study and say:

> The same cannot be said for other fields in Northern Alaska. We have a partial interest in a field about 20 miles west of Prudhoe called Kup River Sands, a part of the so-called Coleville area, . . .

And it goes on to say that in their opinion that would be a great deal more expensive to bring in. If we are going to make that oil productive, those areas productive, we are going to have to take into account the fact that it will cost a little more than Prudhoe Bay.

I think the gentleman missed my point about the $1-a-loaf bread. The fact of the matter is that we had dire predictions, if the gentleman will recall, a couple of years ago about $1-a-loaf bread. We did not have $1-a-loaf bread when it was all said and done, because we have increased the production of wheat, and that is exactly the thing we have to do in the whole oil area. That is exactly what the President's program is designed to try to accomplish.

I had a letter the other day from an investor in small wells in a conventional site in this country, and his comment was that he also invested in beef. He said, "Some years ago you guys in Congress tried to freeze the price of beef." He said, "As I recall, beef got very expensive and disappeared from the marketplace. Then you took off the price of controls of beef, and now beef has come down in price and there is plenty of it in the marketplace."

The same economics, it seems to me, might very well apply to oil if we would have the confidence to use that economics.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAGGERS. Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, I wish it were possible—and perhaps it is—for me to address both sides of the aisle and to address everyone as Members of Congress who have a responsibility as Congressmen to retain authority to make the decisions that we are called upon to make here, because I believe that our branch of Government is the best gage of the collective will of the people. That is what we are supposed to do. We are not called upon to give the President authority to set down a plan and then relegate to ourselves only the authority to veto it. We have the responsibility under the Constitution to establish what the policy of this Government should be, and that is the only manner in which

the collective will of the people can ever be expressed.

Of course, I grant that ultimately there may have to be compromise, but there cannot be the establishment at the outset of the collective will of the people based upon one-third of Congress, plus one, plus the President of the United States.

That is not the way we act if we perform our duty as the prime and original creator of national policy embodied in law. Therefore, I urge Members to reject this decontrol measure by the President and vote for the resolution before us. We will then have the opportunity to decide whether two-thirds of this House is going to override the President's veto on H.R. 4035. I think we should. We may not be able to do so. That is the way the Constitution says we must proceed.

If we cannot do so we already have a resolution directly from the Rules Committee for S. 1849 to be taken from the Speaker's table which is a further compromise. It is a compromise that says "Mr. President, we have not been able to override the veto with respect to what seemed to us to be a reasonable protection of the status quo at no more than $11.50 for new oil and the continuation of the allocation progam to hold old oil at $5.25 until we can ultimately decide this issue under the bill H.R. 7014. We have not been able to do that, so we come to you again with a second compromise and ask you to give us a kind of temporary restraining order, give us an order that will prevent irreparable damage to the economy in the meantime."

That is all we want. Now, is that not a reasonable way to proceed?

How is it, the President can say say that we would, by making such suggestion to him and sticking to it—how can he say we have brought down the economy if the control goes off because of his vetoes and because we have not merely surrendered to his will?

I say the President's position is like Samson at the pillars of the temple, willing to pull the pillars down on both our heads unless he gets his way without change.

I suggest to the Members on this question of compromise: It has been said we are not compromising. I have before me a letter that has come from the staff of the Federal Power Commission addressed to the Honorable WARREN G. MAGNUSON, dated July 21, 1975, in response to the request of Chairman Nassikas to give the Senate a measure of the cost of producing replenishment oil, in short, new oil, in short, that type of oil that the President would permit to go up to $13.50.

Mr. Chairman, I include the complete letter at this point. The letter is as follows:

FEDERAL POWER COMMISSION,
Washington, D.C., July 21, 1975.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate,
Washington, D.C.

DEAR CHAIRMAN MAGNUSON: I am pleased to forward the attached cost analyses prepared by me in response to your letter of July 15, 1975, requesting the following:

(1) An alternative to the study transmitted on June 26, using the same data and analysis but including Alaska as well as the lower 48 states. In order to assure that these computations are conservative, we would request that only one-half of the reported reserves in Alaska be used in the computation. In addition, please assume a Federal Income Tax liability equal to 10 percent of gross income on the value of crude oil produced.

(2) An estimate of the cost per million Btu's of producing new hydrocarbons, whether crude oil or natural gas. Such a computation would avoid the difficult allocation problems of joint costs between the two fuels. Please base this estimate on the five-year average of expenses, reserves additions, and production. Again, please utilize one-half of the Alaskan reserve additions in the computation and assume a Federal Income Tax liability of 10 percent of gross income from crude oil and natural gas sales.

(3) We would also request the Federal Power Commission Staff Analysis of the estimated cost of production of old domestic crude oil, which is based on 1972 data. We should also appreciate any help you can give us in trending these costs forward to reflect current 1975 costs.

The results of the foregoing analyses (1), (2) and (3) are $5.49 per barrel, $4.14 per barrel and $2.96 per barrel, respectively. A discussion of possible trending methods is provided in the attached analysis.

I will be pleased to answer any questions you have regarding the staff analysis.

Sincerely yours,

LOUIS J. ENGEL,
Supervisory Regulatory Gas Utility Specialist.

[SCHEDULE NO. 1]

COST OF FINDING AND PRODUCING A BARREL OF NEW CRUDE OIL—TOTAL U.S.[1]

LINE NUMBER, ITEM DESCRIPTION, SOURCE, AND UNIT COST PER BARREL

1. Oil well drilling cost, schedule 3, $0.43.
2. Lease acquisition cost, schedule 3, $0.37.
3. Production facilities, schedule 3, $0.27.
4. Subtotal, $1.07.
5. Dry hole drilling cost, schedule 3, $0.21.
6. Other exploration cost, schedule 3, $0.19.
7. Exploration overhead, schedule 3, $0.05.
8. Subtotal, $0.45.
9. Operating expense, schedule 3, $0.88.
10. Casinghead gas credit, schedule 3, ($0.61).
11. Return on working capital, schedule 3, $0.12.
12. Return on investment, schedule 3, $2.28.
13. Royalty at 16%, schedule 2, $0.80.
14. Subtotal, schedule 2, $4.99.
15. Total including income tax at 10% of gross income, $5.49.

[1] Includes Alaskan data to the extent that 50% of Alaskan oil additions were included in the productivity estimate.

COST OF FLOWING OIL[1]

Production cost:[2]	Per barrel
1. Cash expense	$1.02
2. DD&A	0.48
3. Return	0.74
Total	2.24
Exploration and development allowance (E&D):[3]	
4. Expense	0.34
5. Return	0.11
Total	0.45
6. Total, production & E & D	2.69
7. FIT computed as 10% of line 7	0.27
Total	2.96

What does the staff report over signature of Louis J. Engel, supervisory regulatory gas utilities specialist? They tell us the cost of finding and producing a barrel of new crude oil, and it sets out each of the line items contained therein, as $5.49 per barrel. It states the cost of flowing oil—and it puts down all the items contained in such cost—is $2.96 per barrel. I ask the Members: Have we made a compromise?

We have asked in H.R. 7014 for a basic price of $7.50 which would allow for any possible increase in inflationary costs. In addition to that, for especially costly oil we have asked for an average price of $8.50, which is sufficiently flexible so that if Prudhoe Bay oil can be brought in at $7.55, the North Slope oil can be brought in at up to $11.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, once more it is necessary to call for the application of plain old commonsense to our energy problems, an element lacking in so much of the legislation brought before this House. Those of us who today vote to let stand the President's phased decontrol of oil prices and then against the bill, H.R. 7014, with its new price

[1] Cost of flowing oil is estimated on a basis comparable to the cost of flowing gas, under past Commission approved methods, in Commission Notice Issuing Staff Rate Recommendation and Prescribing Procedures, issued September 12, 1974, in Docket No. R-478. (See Notice Appendix B, Summary, Schedule No. 1-A, Column (e)). Method further combines operations of Independent Producers, Pipeline Affiliates, and Pipeline Producers which were reported in subject docket in year 1972 for the Lower 48.

[2] Production costs are based on current year 1972 operations on leases producing essentially oil only or leases producing oil and casinghead gas. Leases producing both oil and gas-well gas (combination leases) were excluded from study because of the complexity in allocation procedures. Allocation of joint product oil and casinghead gas costs was made on the basis of relative costs, i.e., through consideration of what it would cost to produce the products singly as measured by the cost of separate product gas-well gas and single product oil.

[3] E & D costs are based on current expenditures for essentially unsuccessful costs. E & D costs are first assigned, and the remainder allocated, on the basis of the respondence reported intent as between gas reservoir and oil reservoir operations. Costs for oil reservoir operations were then allocated between oil and gas current production, as measured by Btu content, after the oil Btu's had first been modified by a multiple of 25. The resulting with E & D cost for oil was then imputed to production of oil on the subject lease types.

controls and price rollbacks are exercising that much needed commonsense.

While we all recognize there is no immediate, worldwide oil shortage in spite of oil being a finite commodity, we have in this country a genuine shortage of oil that is cheap to get out and to the consumer. We are kidding either or both of ourselves and our constituents when we say that with a simple stroke we can assure America of all the oil we want at a price we wish to pay. That cannot be done. It is something made impossible by geology, diplomacy, and economics. We are yet to face the harshest reality that there will be an end to the world's oil and as we approach the end the trend will be one of constantly higher prices because each new gallon will be produced in more difficult terrain by more difficult methods. We must recognize that our constituents' children or grandchildren will sooner or later be unable to buy gasoline to drive to the beach. Hopefully there will be other fuels or other means, although there is no present guarantee of that.

We cannot guarantee by legislation perpetually plentiful cheap oil any more than we can legislate sunny weekends in spite of the fact our constituents would want both. Constituents are smart enough to recognize a self-congratulatory press release about assured sunny Sundays for what it would be. They are learning enough about energy realities to begin to question pie in the sky bills for what they are.

By allowing phased decontrol of oil, subject of course to excess profits taxes, we would back Government one more step out of the energy market. These intrusions by government are only aggravating our energy afflictions. By letting the Emergency Petroleum Allocation Act's entitlements program die we would do the same.

The entitlements program is a classic example of governmental intrusion muddying the situation. It removes any incentive to be competitive by way of using domestic oil instead of foreign oil since the program makes producers of domestic oil share it—or its cost benefit—with those producers who rely on imports. We created that program to help the "little guy" if—that is—multi-millionaire refiners of foreign oil are little guys. It removes the incentive to produce oil here when it removes the economic disadvantage now implicit in trying to market products made from foreign expensive oil.

Likewise, retaining in perpetuity price controls on cheaper "old" oil removes the incentive to produce products from that resource instead of from more expensive "new" oil. Thus controls, by their very being, have rapidly tilted us toward products containing a higher percentage of "new" than of "old" oil and more foreign oil than domestic.

By patting ourselves on the back saying we have protected consumers we have penalized consumers and the presently popular legislative initiatives are more of the same.

We need do only two things. We should phase out controls. That will restore a degree of competition and leave allocation in the free market. And, we should enact an excess profits tax to be sure that decontrol does not result in unconscionable windfalls to producers beyond their legitimate profit margins and capital requirements. The longer we delay doing this by grandstanding and by advancing the idea that we can have as much as we want for as little as we want to pay, the longer it will be before we approach a real solution of our energy problems.

The President and the conservatives in Congress believe that energy independence—reliance on American instead of foreign petroleum—is essential, even if that means paying more in order to get more oil produced in this country.

The congressional liberals have as their sole objective to roll back prices of American crude oil. Ironically, that will not lead to lower prices at the pump. It works this way: If we discourage oil production in this country by clamping on lower crude oil profits, then, in order to meet demand, more oil will have to be imported. Since imported oil now costs more than American oil, that means that consumer prices at the pump will be higher—not lower. In short, if we pay less for American oil we will have to buy more of the higher priced foreign oil.

That is what decontrol is all about—to let the free market work so we will not have to import so much.

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

The CHAIRMAN. The Chair will count. Fifty Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present.

Pursuant to the provisions of clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, in the interest of pouring oil on troubled waters, just to make a bad pun, I would like to read to my colleagues from the editorial page of today's New York Times.

This is a source from which I do not alway find great comfort, but it is a source from which today I find what I consider to be good advice to the Congress and the President.

The editorial is headed: "Impasse on Oil" and it reads as follows:

The politically-motivated impasse between Congress and President Ford on control of domestic petroleum prices is threatening to leave the country and the consumer in an intolerable situation.

Yesterday Mr. Ford vetoed a price-rollback bill passed by Congress; it appears that Congress in turn will not accept the President's own proposal, which moves in the opposite direction, for gradual decontrol of all oil prices. As existing control authority expires Aug. 31, the result—unless something is done soon—will be that domestic oil prices, stimulated by a probable further increase in the OPEC price later this year, could seriously inhibit economic recovery.

Under the circumstances, it seems to us that a compromise could sensibly be reached envisaging gradual decontrol accompanied by increase in gasoline taxes, with special rebates for the hardest-hit segments-of-the population, accompanied by tax and plowback provisions to insure against windfall profits for the industry and to encourage reinvestment in energy production.

The issue is no longer whether to conserve oil and reduce American and Western vulnerability to the oil cartel, but how best to accomplish that purpose with greatest equity and least damage to production, employment and the anti-inflation effort. Economic recovery is almost certain to send American oil imports shooting upward again, unless restricted by higher gasoline taxes or a price rise as a result of phased decontrol—or both in coordination.

The same time, increased domestic production of oil, and encouragement of the more secure foreign sources, should also be a basic objective. Government should seek to ensure that higher profits resulting from rising oil prices will be reinvested in the development of new energy sources.

Plans for the decontrol of oil prices must be geared in carefully with fiscal policy to ensure that the economy recovers from the worst recession in postwar history, which has left heavy unemployment in its train. Higher oil and other energy prices and the extra taxes must not be permitted to impose such heavy burdens on the economy as to cause the recovery to abort. This can be handled by phasing decontrol in gradually—over a period of perhaps three years or more—and by assuring that during the recovery extra taxes collected be put back into the economy both by reinvestment and by rebate to lowest income groups hit by higher energy prices.

The probable burden of higher oil prices is so great—likely to amount of $30 billion or more—that it is urgent that tax plowbacks and rebates be supplemented by a lower general tax schedule to cushion the economy against the impact of oil decontrol.

It is a tragedy that Congressional action can only be obtained by a Presidential threat of sudden decontrol. But 21 months have passed passed since the oil embargo that made clear the need for an effective conservation and development program. The aim now must be to enact the best compromise that can be achieved.

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

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

Mr. HEINZ. Mr. Chairman, I rise in support of House Resolution 605, a resolution disapproving the amendment to the Emergency Petroleum Allocation Act submitted to the House on July 16, 1975, by the Federal Energy Administration.

As a member of the Energy and Power Subcommittee I have been working to achieve congressional action on a responsible energy bill. Our committee began work on this problem in February of this year and the fruits of this effort, H.R. 7014, is scheduled to come to the floor of the House for further consideration later today. I regret that it has taken our committee the best part of 5 months to bring an energy bill to the floor, but such is the case and I nonetheless feel that the Congress should complete its action on H.R. 7014.

In this regard, the phaseout of old oil price ceilings, as proposed by the Federal Energy Administration on July

16, 1975, comes at an extremely inopportune time. That is to say, it intervenes while we are literally in the middle of considering the "energy bill," H.R. 7014. In fact, the pending business of the House, when we resume our consideration of H.R. 7014, will be my amendment, which is designed to place a price ceiling on oil prices, place a stringent windfall profits tax on oil producers, provide an appropriately strong incentive for the discovery and production of new oil resources and, most importantly, to protect consumers purchasing power by redistributing windfall profit tax revenues to middle- and low-income consumers. It is my strong feeling that the House should complete working its will on H.R. 7014 before the President or the Federal Energy Administration interposes such a decontrol amendment on the Congress.

I would be remiss in my remarks, Mr. Chairman, if I did not take this opportunity to recognize the considerable distance the administration has come in modifying its original energy proposals in the interest of shaping a responsible compromise that will meet the energy needs of the American people.

However, under the circumstances, I cannot support the FEA amendment of July 16, 1975, and will accordingly vote "yea" for House Resolution 605, the resolution disapproving the 30-month decontrol of old oil proposed by FEA.

Instead, I will continue to work for a responsible legislative solution to meeting the needs of our hard-pressed consumers and toward achieving the goal of energy independence.

Mr. BROWN of Ohio. Mr. Chairman, I yield such time as he may consume to the minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. Mr. Chairman, there are several things that I think Members agree on, no matter what side of the aisle they are on and no matter what their previous thoughts might be. I think one of those things is that we ought to be doing something, we ought to be moving, toward a positive solution of our energy problem. We cannot continue to do nothing, and I think that is what we are going to be doing today.

Unfortunately, I think the Members are probably going to vote down this proposal of the President. It will be another item in the negative record of this Congress.

As a matter of fact, the President has been trying to get the Congress to move ever since it convened. The people on my right have been saying, "Vote this down and give us time to do something constructive."

My query is, How much time do we need?

I remember December 1974 when an emergency energy bill was brought out of this very fine committee headed by my good friend, the gentleman from West Virginia (Mr. STAGGERS), and we strained mightily. I think that about on Christmas Eve we adjourned, having produced nothing, not even a mouse.

Since that time, and in this Congress, the President of the United States has sent a plan to the Congress and asked for the plan to be enacted. Nothing was.

In order to get some movement, he announced that he would put a $1 fee on imported crude oil—$1 a barrel. Still nothing happened, so he did put the tax on. When he was going to put the second dollar per barrel on, he was persuaded by Members of the House and Senate that if he only would forebear, there would be some movement. There was not any movement, so the President put the second dollar on. Then, in an attempt to get some sort of action, the President sent us a plan for decontrol of old oil.

It is no wonder that people call this Congress the "seat-belt Congress," because in order to get Congress to move, it has to have a belt in the seat every now and then. Unfortunately, that has not worked.

Therefore, Mr. Chairman, I just say to my good friends on the right that if we seem to be pressing them, it is because we are. It is very important to the economy of this country—not only today but for years to come—that we produce more oil domestically than we are now producing.

The production from the old oil fields is going down. Everybody agrees to that. How do we get it to come back up? Even more importantly, how do we get oil to be brought into production from new wells which will take the place of the old oil which is not being produced? We certainly do not do it by rolling back prices, and we certainly do not do it by clinging to a two-tier system of oil which is outmoded and which has already proven it will not do the job.

No. Instead of that, I think we need to give people the incentive to produce more old oil—both old and new oil. Again, however, the record of this Congress is completely negative. Instead of encouraging production we repealed the depletion allowance, which has had the effect of idling drilling rigs which would otherwise be put to work finding new oil.

This is a very dismal record, and I think we are going to add to this lack of luster today by voting down the President's reasonable plan for decontrol.

This plan calls for decontrol of old oil over a period of 30 months; that is 2½ years. It calls for a cap of $13.50, which is about what the world price is today, and which, incidentally, is a concession made by the administration because the administration had previously said that it was not in favor of the cap. This plan does contain a cap, but I think, even more importantly, this plan has to be reviewed every 30 days. We do not set the thing in concrete now.

Mr. Chairman, that is one reason I wonder why we are so worried about it.

What I would like to do, and I make this proposal very seriously—I know there are probably the votes in this House to disapprove the President's plan—but what I would like to do is this: I think the President should immediately, or at least as soon as possible, submit another plan. But I would hope that that plan would be submitted only after the majority and the minority and the President have gotten together on a plan that could be approved. I do not want him to send another one up here which will be brought up within 5 days for disapproval, because that just adds to the stalemate which we already have. There is no reason to do that.

The country does not deserve it. The country does not want it. What the country wants is some safeguard against our having either to keep importing more and more oil from the OPEC countries, or running out of oil. It is about that simple.

The choices we have are either to produce more domestically, to import more from the OPEC countries, or to ration. Those are really the three alternatives. Do not let anybody tell you there is a fourth, because there really is not. So what we are doing here today is just adding to the stalemate.

I sincerely hope we can get together after this is over, Mr. Chairman, some of us, and see if we cannot possibly work out some sort of a compromise plan so that we can all work together as Americans, as Members of this body, and try to do something about this situation.

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

Mr. RHODES. I will yield to the gentleman from Connecticut if the gentleman has an answer to my question.

Mr. MOFFETT. Mr. Chairman, I certainly cannot speak for the distinguished chairman, the gentleman from West Virginia (Mr. STAGGERS) but I would simply ask the distinguished minority leader if that gentleman is aware that there has been a great deal of activity on this side to compromise with the President?

Mr. RHODES. Of course.

Mr. MOFFETT. And in fact, the provisions imposed in H.R. 7014 are in many ways a compromise. We are talking about a rollback now to $7.50 or $8.50 for higher priced oil as being unreasonable, but at the same time we are talking about the oil companies having plenty, having a reasonable return at $5.

Mr. RHODES. Mr. Chairman, the gentleman from Connecticut is now making a speech, and I did not yield to the gentleman for that purpose.

H.R. 7014 has nothing whatsoever to do with what is at hand before us today.

Mr. MOFFETT. But it does have to do with the gentleman's assertion about Congress not doing anything on energy.

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

Mr. RHODES. I yield to the Chairman, the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, I would like to say to the minority leader, the gentleman from Arizona (Mr. RHODES) and of course I thank the gentleman for yielding to me, that I would be willing to meet with the President or any of his advisers, and the minority, at any time, at any place, and we will be available. I am sure that if I ask any members of our committee that they will be glad to do so, because we have to work out something.

Mr. RHODES. Mr. Chairman, I want to assure the gentleman from West Virginia that I feel sure this can be done. I have known the gentleman from West Virginia for many years, and I respect the gentleman, and I am serious in hoping that we can do this.

But, in the event that this does not occur, then let me give the Members this little scenario; that if we keep growling at each other and August 31 comes around, then we will not have any control over oil at all, and very precipitously the price of oil will go up through the ceiling.

I think that is something that no Member of this Congress on either side, or any President, ought to allow to occur.

No one really knows what that will do to the economy, but it cannot be good.

At this moment we find ourselves about ready to bottom out as far as the recession is concerned, and about ready to get the country on the way back up again as far as he economy is concerned. We cannot afford to gamble with our economy by a sudden decontrol of old oil.

So, Mr. Chairman, I certainly hope that the Congress will attempt to reach a compromise.

Further, Mr. Chairman, I wish to thank the Members of this body for their attention. I assure them again that as a Member of the minority, that I stand ready to compromise with them, so as to make sure that we will be able to do the job that needs to be done to produce more domestic oil, to produce it at a reasonable price, and to provide the people of our country with the energy that is needed to keep this economy going.

Mr. STAGGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, the White House propaganda machine has been busy assuring the American people that the "price tag" for full decontrol—gradual or immediate—is only 7 cents per gallon of gasoline. This 7 cents per gallon at the pump theme, held over from a previous FEA evaluation of decontrol under totally different circumstances, is misleading for three reasons:

First, it intentionally understates even the increase in raw material costs for each gallon of petroleum product after decontrol;

Second, it intentionally takes no account of add-ons to price apart from raw material costs after decontrol; and

Third, it intentionally diverts public attention from the fact that decontrol will inflate not only gasoline but utility costs, food bills, and the price of every other consumer item.

One. Even on a crude oil/raw material basis, petroleum prices will rise by 9 cents per gallon, more than 20 percent above the White House estimate. Because of price controls on domestic crude oil, the average price of all crude oil—foreign and domestic—used by U.S. refiners is substantially below the OPEC—decontrolled—price level. FEA's latest Energy Review reported an average U.S. cost for March of $9.30 per barrel with an import cost of $13.17, a difference of almost $4 per barrel.

FEA's Energy Review also contained an extensive discussion of crude oil pricing which acknowledged that decontrolled domestic crude would rise to OPEC levels. The same discussion pointed out that FEA's March figures—the latest available—did not take into account the second dollar of the President's fee which would raise the import cost $1 to over $14 per barrel and have approximately a $0.60 impact on average U.S. costs which consist of 60 percent imported and decontrolled crude oil. Given these adjustments, the current difference between U.S. average cost and world costs is almost certainly in excess of $4 per barrel. Even if decontrolled domestic prices were held to $13.50 per barrel by the President's decontrol plan, the decontrolled average would be over $13.50 since substantial imports would continue. Thus, at an absolute minimum, decontrol would increase crude oil costs by over $3.50 per barrel over existing U.S. average levels.

Each barrel of crude oil contains 42 gallons which can be processed into approximately 40 gallons of product. Each $1 increase in crude oil costs add 2½ cents to the raw material cost of petroleum products. A $3.50 per barrel crude oil increase thus means almost a 9-cent-per-gallon increase in the raw material cost of each petroleum product.

These facts are no secret to FEA. FEA's 7-cent-per-gallon figure was actually computed in May before the second dollar of import fee was imposed. That figure is being played again now without any tie to reality.

Second. Inevitable increases in refiner margins will swell the gasoline increases to about 14 cents per gallon. Major refiners have continuously claimed that domestic price controls have made their refinery operations unprofitable and prevented them from passing on increased costs of refinery operations. They have estimated these increased nonproduct costs as about 15 percent of the total increase of raw material costs since May 1973. These nonproduct costs include fuel for refining operations and thus can be expected to rise proportionately with refinery costs.

Given decontrol, the total increase in raw material costs from May 1973 levels would be about 25 cents per gallon. An additional 15 percent would be 3.75 cents per gallon. Without controls this extra 3.75 cents would be passed on to consumers by refiners on top of the 9-cent-per-gallon increase in raw material costs. And decontrol would also permit a rise in service station margins to accommodate to lower volume at higher prices.

Taken together, the increase in refinery and service station margins would almost certainly result in doubling the White House 7-cent-per-gallon estimate. A cynical man might indeed think the White House had chosen 7 cents on the theory that the public always discounts Government claims by half.

The alleged gasoline increases would apply to all petroleum products, as well as coal, unregulated natural gas and all consumer products with an energy component. Perhaps the slickest understatement of all in the White House presentation is the exclusive focus on gasoline. Decontrol is not an excise tax. It will hit the prices of all petroleum products including home heating oil and residual fuel for electricity. And while 7 or even 14 cents may seem like a modest increase in the pump price of gasoline which is already boosted by Federal and State taxes, the same 7 or 14 cents is a whopping percentage increase in home heating oil, diesel fuel, jet fuel, and residual fuel.

In addition, increases in the cost of petroleum energy permit a windfall for coal and unregulated natural gas. And as total energy costs rise, industry must pass energy costs on to all consumers.

To put it bluntly, 7 cents on gasoline may play in Peoria but it is a magical mystery tour unrelated to the reality the White House is trying to foist upon the American public. The least the Government can do in an issue of this kind is to come clean with the people, rather than replaying irrelevant tunes as the time for constructive action goes by.

I urge adoption of this resolution, a feature to do nothing less than stave off the most destructive economic move by Government in recent memory.

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

Mr. JONES of Oklahoma. Mr. Chairman, I rise to oppose House Resolution 605.

Our time is just about up. We can sit around this Chamber, and speculate on this energy scenario or that one. We can wrap ourselves in the rhetoric of responsibility, while we abdicate all semblance of responsibility.

I believe the time has come for compromise, and compromise in a constructive, conscientious manner that will produce positive results.

The President and the Congress can spend the next 2 weeks deciding who will be blamed for an immediate decontrol of old oil prices on September 1. I do not consider that responsible or responsive government.

Our goal should be to fashion an approach that the President will accept, the Congress will accept, and most importantly, that the people of the United States will accept.

I do not favor everything in the President's decontrol plan. I would prefer a longer phaseout. I would prefer that the President spell out the details of the windfall profits tax, but then I believe Mr. Chairman, Mr. ULLMAN, can lead us to a proper resolution of that item.

I would prefer that the President immediately remove the $2 per barrel on imported oil. The House voted for removing this tariff in H.R. 6860.

But on the whole, this is a sound approach. It is certainly better than spinning our wheels, waiting for an act of God. God helps those who help themselves, and that is exactly what we must do here today by opposing the disapproval resolution.

Mr. STAGGERS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. Moss).

Mr. MOSS. Mr. Chairman, I agree with the remarks that were just made in the well by the gentleman from Arizona, the distinguished minority leader, Mr. RHODES, that "if we keep growling at each other the way that we have that

that is not the way to do the job that we must do."

But I would just also suggest that to keep telling the Congress every time we move on a piece of energy legislation that it is going to be vetoed, that that is not the way to do it, either. I want to remind the Members of this Committee that it is probably composed of more new Members than any Congress in the last quarter of a century, and that it reflects losses on the other side, not on mine.

I recall the debate in December of 1973 and the continuing debate early in 1974 on the passage of what, in my judgment, was an excellent piece of energy legislation, which was vetoed by the President. The Congress came back and passed very promptly another piece of legislation which, in my judgment, was not as good for the people, for the economy of this Nation, as the legislation which was vetoed by the then President, Richard Nixon.

I assure the gentleman that that is the chronology. We did pass the bill, and it was vetoed.

We now have before us a bill on the floor of this House, H.R. 7014, that is a very important piece of legislation, and we should continue to do the job of writing that legislation. We ought to adopt the resolution here today so that we do not in effect delegate to the President the authority to write the legislation, because failure to adopt the disapproval resolution would be giving the President the role of the principal legislator in this Nation. I do not think that was the role envisioned by the framers of the Constitution, and certainly it does not comport at all with my responsibilities as a Member of Congress, as I understand them. We are to be legislators.

Let us now take a look at the wisdom of always following exactly what the President wants. Many of us here served with the President, and we served with him over extended periods of time. He served in this House for 25 years before assuming the duties of the Office of the Vice Presidency. Of those 25 years, 23 of them were in the minority, not the majority, and I have listened to him many times give sound advice to the people on his side of the aisle as to how they should cast their votes if they wanted to come back. And they did not take his advice and somehow in far greater numbers they succeeded in surviving.

So I would say to the President, "Sir, if you are to come back, perhaps you should listen a little more carefully to the views of those on this side of the aisle and less to some of the persons you have around you advising you on energy."

I think that the Administrator of FEA, Mr. Zarb, is a most pleasant individual, but I do not think his experience in the field of energy begins to match the years that I have worked on energy. And I do not think the experience of the Secretary of the Treasury begins to match mine. I do not find that I stand in any awe of Secretary Simon. And, strangely, I find I stand in no awe of the background or experience of Secretary Morton with whom I also served in this House. They are both competent men—of that I have no doubt—dedicated men, but in the instances of recommending to this House, I find that I am in vigorous disagreement with them, and I think that I am disagreeing because I am anxious that we not undertake the damaging blow to the economy of this Nation that would inevitably follow the approval of the President's plan.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Chairman, it gives me great pleasure in a spirit of compromise, which I hope this House will come to, to yield 2 of our 3 minutes remaining to my Chairman, the gentleman from West Virginia (Mr. STAGGERS), so that he may yield time to the majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. STAGGERS. I thank the kind gentleman from Ohio.

Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts (Mr. O'NEILL) the majority leader.

Mr. O'NEILL. Mr. Chairman, I have to agree with the minority leader that this is no time to be growling.

Actually, as I look at the history of energy in this Congress, if President Nixon had signed the bill in 1973 that he vetoed, we would not be in the problem we are in today.

But how much legislation have we passed and what have we done on energy? If we check the record we will find the 93d Congress passed 43 specific pieces of legislation concerning energy. Has the problem been solved? Of course the problem has not been solved.

But what does this piece of legislation do? The President is proposing to end price control on oil and let oil prices rise to $13.50 per barrel, four times the level for oil 2 years ago.

This legislation tells the American public that the Congress is opposed to such unwarranted high prices as these. We cannot stand an increase of this type. Price decontrol, which the President wishes to impose on the American consumer, would cost an estimate of $20 to $50 billion out of the consumers' pockets.

We passed a bill this year to give a $20 billion tax rebate to try to stimulate the economy. I hope the recession has bottomed out and that we can get down to the unemployment figure the Republicans think is a magic figure, of somewhere around 8 percent this year. Personally, I think it is a ghastly figure, but our tax program has played a part. The President's decontrol plan would scuttle the programs for economic stimulation that this Congress has passed. The price of gasoline, home heating fuel, electric bills, all would rise immediately. We know that. The ripple effect for the economy would make everything far more expensive, and believe me inflation would soar.

The President's program would make the oil companies richer than Croesus, yet the companies give no assurance that production will increase significantly—no assurance. As a matter of fact, if we increase the price to $13.50, 5 years from now, there would be 1 million gallons of gas a day extra, just about 2.5 percent of what we would be using at that time.

I do not understand why the President has acted in this fashion. As a matter of fact, he said to the leadership:

> This is not a Democratic problem. This is not a Republican problem. This is an American problem.

And I agree that it is an American problem.

I agree that it is a hard piece of legislation, that it is parochial, that everybody from every section of the country wants to protect the area from which he comes. It is hard to write a national bill, but basically we want to curb the recession, we want to stop the inflation, and this bill would make both run wild.

I think we will be doing the right thing here today. I support the resolution. This resolution only gives more time. We have to put aside party politics on this matter and we have got to sit down and compromise, but we are not going to sit down and compromise given the attitude some people have taken in this House. I think it comes mostly from the other side of the aisle, because they see it as a political issue. This is much bigger than a political issue. I think the right thing for this Congress today is to support this resolution.

I thank the gentleman from Ohio for yielding the 2 minutes to me.

Mr. BROWN of Ohio. Mr. Chairman, as I understand it the gentleman from Ohio has 1 minute remaining and he would like to reserve his time in view of the fact that he has yielded time to the other side. He would prefer that the chairman, the gentleman from West Virginia, take some time now.

Mr. STAGGERS. Mr. Chairman, I thank the gentleman from Ohio. The gentleman has been very generous and very kind.

I wish also to thank the minority leader, the gentleman from Arizona (Mr. RHODES) for his comments. I am sure that I can reciprocate by saying that it is most commendable of the gentleman trying to do what is right.

Mr. Chairman, I just think that the time has come when we must act together as a group and not as politicians elected by one party or the other. I came to the Congress with the President of the United States 27 years ago. I know the President. I respect him. I have supported him when I thought he was right and especially on many of his foreign policy initiatives earlier this year.

I think that in this case our analysis shows that the President's proposal will add, as has been said, 800,000 unemployed people and of that, some 2,000 in each district.

The consumer price would go up an additional 2 percent.

The gross national product would go down $26 billion.

Housing starts would be off 15 percent.

Automobile sales would be down 1 million units, at 9.6 percent.

These are shocking figures. I say that the President has either been seriously misled by his advisers, or he has totally abandoned the citizens of this Nation, which I know he would not want to do.

So, Mr. Chairman, I put the blame on

those who have advised the President to send this up when we are trying to work out this very serious problem.

As was said, we have had one major energy bill that was vetoed by President Nixon. We have had one bill that has been vetoed by President Ford.

I would like to just say to the House that we are in a serious situation. I predict that within 2 years, if we do not have some protection for the American people, that we will either have nationalization of oil or we will have a revolution in America. I believe this is entirely possible. By traveling among my people, I know of no subject which has aroused the passions of the people of this country more than current energy prices. They do not believe the assertions that have been made in the news media that we have to raise these prices even to greater levels as we have been asked to do. When I go back to my home and they tell me that the retailers tell their people they have to stay open longer hours, that they are supposed to sell more gasoline, how can we tell them they may also raise prices?

So I just say it is a serious situation. I would urge every Member of this House, and this is beyond party, because all America is watching what we do today and it will be reflected in future actions; so I urge a vote for disapproval of the President's proposal.

Mr. BROWN of Ohio. Mr. Chairman, I yield the remainder of the time to the gentleman from Illinois, who I trust will not growl in the remaining time.

Mr. ANDERSON of Illinois. Mr. Chairman, as I promised in my statement on the rule, I rise to oppose the adoption of this resolution of disapproval with all of the force that I can muster.

I have been sitting in this chamber now for 2 days listening to what is becoming a totally irrational debate. While abhorring the high unemployment and economic downturn caused by the OPEC embargo, the Congress is giving every indication of passing an energy bill which will certainly create a self-imposed embargo much more serious and pervasive than anything the OPEC nations could dream up. We are planning to roll back prices of oil, remove incentives for producing oil and if H.R. 6860 makes it though the other body and conference, to impose tough import quotas. In its entirety, the congressional plan is suicidal. It provides absolute assurance that we will have a self-imposed energy shortage, loss of jobs, soaring energy prices and economic and social turmoil. In this short term, we continue driving our cars, heating our homes, running our air conditioners as though nothing is the matter. Business as usual. However, it is like eating candy bars—the hunger pangs go for a while but the hunger comes back. It seems as though the experiences of the last 2 years would keep us from giving any credence to such a disastrous policy. I would hope that we come to our senses quickly.

The plan we have before us now is a reasonable way to proceed, it seems to me. It would help to encourage the additional production that we desperately need. Its only deficiency seems to be that it comes from the other end of Pennsylvania. The question that we face here today is can we consider it on its merits or are we going to get so hung up on our own need to produce our own policy, which under the provisions of H.R. 7014, unless it can be amended, would be utterly disastrous.

Mr. Chairman, the major objection I have to the current direction this Congress is taking is the total lack of concern for maintaining domestic production incentives. Rolling back prices is certainly an attractive way to appeal to those who want to knock off the big oil companies and their supposedly exorbitant profits. I have no desire to fatten their purses either. But when they testify that the incentives are not there and domestic production will continue to decline unless pricing policies are changed, it is ridiculous for us to attempt to rollback prices when there is a far better way of dealing with the problem of oil company profits.

The President's program calls for a gradual decontrol of old oil with the excess profits produced by these decontrol efforts being taxed and rebated to the consumers. Further, the President has compromised with the Congress in recommending a ceiling of $13.50 for all domestic crude, excluding stripper well oil.

The program before us now will increase domestic production by about 1.4 million barrels per day in 1985, most of this increase coming in the years after 1980—it takes a long time to bring on new sources. But each million barrels of oil per day that we produce means job security for about 900,000 workers. Without that energy, they would lose their chance to work, as we learned in the OPEC embargo of a couple of years ago. Long-term stability instead of short-term convenience is what we are talking about here. I would hope that today we opt for the former. I urge adoption of the President's program.

Mr. STAGGERS. Mr. Chairman, I just would take the last minute to say that the vote is aye on disapproval of the President's proposal, so I urge every Member of this House to vote aye on the resolution.

I would say, as the gentleman from Illinois (Mr. ANDERSON) who has just appeared in the well has said, that this is a nonpartisan issue; it is one that affects all of this land, and I hope every Member will seriously consider that fact when he votes and vote aye on the resolution.

Mr. ASHBROOK. Mr. Chairman, it will soon be 2 years since the beginning of the Arab oil embargo. The embargo, followed by the huge price increases by the oil producing nations, demonstrated that our Nation must achieve energy independence.

Despite the passage of almost 2 years, the Democratic-dominated Congress has failed to come up with any real answers to our energy problem. It has talked, delayed, and procrastinated month after month, avoiding the hard decisions that must be made.

Unable to devise a solution of its own, the Congress instead has spent valuable time blocking the administration's energy program. The bill before us today—House Resolution 605—is another example of the same congressional inaction and obstructionism.

Those who are looking for positive solutions to the energy problem will find nothing worthwhile in House Resolution 605. It will not develop any new energy resources or help provide any more power. Instead, it will stop the President from taking an important step toward energy independence by preventing him from implementing his plan to deregulate domestic crude oil prices.

Decontrol is desperately needed. By mandating unrealistic price ceilings on domestic crude oil we are locking ourselves into permanent energy shortages. We must not allow this to happen.

Decontrol would help provide the incentives that are needed to increase domestic oil production and achieve energy independence. It would stimulate the production of domestic oil and thereby lessen our dependence on foreign oil.

Without decontrol our domestic crude oil production will continue to decline. With decontrol, production will rise sharply. Under the administration's gradual decontrol program it is estimated that domestic production would increase by 200,000 barrels per day by 1977. By 1985, estimated production would be 5 million barrels per day higher than the amount if the present controls are continued.

It is time to end the liberal rhetoric. The American people need more oil and gas, not more talk and obstructionism. House Resolution 605 should be defeated.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in strong support of House Resolution 605, a resolution disapproving the President's oil price decontrol plan.

I commend my distinguished colleague, Mr. DINGELL, and the members of the Interstate and Foreign Commerce Committee for their excellent analysis of the President's decontrol plan—an analysis that had to be prepared in a very short length of time.

One of the most important findings of the staff of the Subcommittee on Energy and Power was that the FEA analysis which accompanied the President's plan contained "serious conceptual and technical errors." An accurate analysis of the administration plan would have included a "base case" of continued current oil price controls throughout the period of comparison. However, the baseline data developed by FEA allows a 60-month decontrol program as the background for comparing the President's 30-month phaseout plan. The choice of a base case including gradually rising energy prices obviously minimizes the unfavorable economic impact of the President's plan.

Mr. Chairman, it has often been said that statistics can be developed to support almost any hypothesis.

However, when the statistics have a bearing on a decision affecting the Nation's economy and the lives of every man, woman, and child in the country, Congress has an absolute right—and indeed a responsibility—to demand accuracy and objectivity. What we have received, instead, is a statistically engineered attempt to pull the wool over the eyes of the Congress and the Amer-

ican people about the real effects of the President's oil decontrol plan.

While the FEA has described the effects of the President's program as "negligible," the real effects will be calamitous.

Mr. Chairman, let me provide a few examples of how the FEA analysis undershoots the mark.

First, in the vital area of unemployment—which has been a subject to which we have all devoted considerable attention in recent months—the FEA projection envisions a gain of 200,000 additional unemployed workers. The Subcommittee on Energy and Power, however, has derived a figure of 800,000 additional unemployed by the fourth quarter of 1977, resulting from the President's decontrol program. In my view, the difference of 600,000 workers is a significant disparity that should raise serious questions in the minds of my colleagues about the validity of the rest of the FEA analysis.

Second, the FEA has seriously underestimated the loss of real gross national product. The subcommittee estimates a $26 billion loss, representing a 2.86-percent decrease in real GNP. The subcommittee also projects a 2-percent growth in consumer prices from the administration's plan, as well as a 15.9-percent decrease in housing starts and a 9.6-percent decrease in auto sales.

Mr. Chairman, the charade disguised as an economic analysis and presented to this Congress for consideration by the Federal Energy Administration also underestimates the increased costs per household by a factor of two—$114 per household as opposed to the subcommittee's estimate of $230, which itself does not include the possible induced price rise of other energy resources. FEA has also failed to take into account the fact that rising oil prices will almost certainly cause an increase in the price of natural gas and coal. In the case of natural gas, it has historically risen .65 percent for every 1-percent increase in the price of oil. Coal has historically risen 1.2 percent in price for every 1-percent increase in the price of oil.

There is no arguing with the reality that oil is the price leader on the U.S. energy scene. The price tie-in between various energy resources is based upon a factor called Btu equivalency. The price of a Btu contained in a barrel of oil sets the price of a Btu of coal energy and energy from natural gas, although the latter increases to a lesser extent because of long-term contracts and regulation of interstate sales. However, it would be a serious error to assume that coal and gas prices will not rise as a result of the President's decontrol program. In my view, not including data on this assumption leaves the FEA open to a charge of misrepresentation in its statistics—a misrepresentation that is compounded by the technical errors I have cited earlier, and which misleads the Congress and dupes the American people.

Mr. Chairman, the administration is using a forceful approach in trying to force Congress to adopt a 30-month oil price control phaseout. We have been offered the "choice," between the President's program and an immediate decontrol of all oil prices on September 1—a decontrol that will come about because the President vetoed the extension of the Petroleum Allocation Act passed by the Congress. This is "power politics" of the worst sort because it tests the muscle of the administration at the expense of American consumers.

Mr. Chairman, Congress must face up to the administration on this issue. Why should we be railroaded into accepting a plan that will put the economy into a tailspin and benefit only the oil companies? We have before us legislation that will provide for a gradual increase in "old" oil prices from $5.25 to $7.50 per barrel, and a rollback of "new," "stripper," and "released" oil from its exorbitant level of $12 plus per barrel down to $7.50. Production from high-cost wells will be priced at $8.50 per barrel. This legislation, H.R. 7014, deserves our support—especially in light of the administration's attempt to ram its own decontrol plan down the throats of the Congress and the American people.

Mr. Chairman, earlier this year, the President pledged his cooperation with the Congress to develop a rational and fair national energy policy. I hope the President will remember that pledge and allow this House time to complete its action on its own energy legislation before oil price controls expire. National energy policy cannot be an either/or situation. It is an issue of such magnitude and importance that it demands nothing less than our very best mutual efforts. The public will not be served if the development of energy policies disintegrates into a petulant standoff between the Congress and the administration. We must work together to resolve this problem. I hope that the President will remember his own statement about the value of cooperation and the senselessness of confrontation. Now is the right time for the administration to put this philosophy to work for the benefit of American consumers, for the stability of our economy, and for the compelling national interest.

Mr. Chairman, I urge my colleagues to join with me in supporting House Resolution 605, and I hope that they will also join me in supporting the legislation on which we are currently working to set a rational pricing policy for American energy consumers and producers.

Mr. CLEVELAND. Mr. Chairman, I oppose House Resolution 605 which would disapprove the President's plan to decontrol oil prices gradually over a 30-month period subject to a $13.50 cap and a windfall profits tax with plowback provisions and tax rebates for low-income energy users.

I do so not only out of a growing sense of frustration over the inability of the Democratic leadership in Congress to enact a comprehensive and effective national energy policy but also because I believe the President's latest attempt to compromise with the Congress in solving our energy problems represents a far better solution than the mishmash of ineffective proposals which have been offered to counter it.

Almost 2 years have passed since the Arab oil embargo forced us to face up to the reality of our dependence upon foreign sources for as vital a resource as petroleum. Yet, in this time period the Congress has done little except to pass legislation which helped us to live with the problem rather than attempt to resolve it.

We are now faced with the August 31 expiration date of the Emergency Petroleum Allocation Act of 1973 under which domestic "old" oil which constitutes about two-thirds of our domestic production is subject to a price ceiling of $5.25 per barrel.

Obviously, the effects of immediate decontrol of oil prices would be severely disruptive on our already seriously troubled economy. For this reason, I challenge my colleagues on the other side of the aisle to put an end to partisan disputes and compromise with the administration in working out the details of an effective energy program which will lead to our eventual self-sufficiency. Defeat of this bill today would represent a positive attempt to do so rather than continuing the present pattern of mere negative reaction to the President's proposals.

Mr. MACDONALD of Massachusetts. Mr. Chairman, as a cosponsor of House Resolution 605, it is my hope that the House will pass the disapproving resolution for the President's plan to decontrol domestic old oil prices over a period of 30 months. There has been a great deal of information submitted on this subject by my colleagues, and there is perhaps little factual data I can add; however, I would like to mention three areas which are of particular concern to me in the President's decontrol plan.

First, President Ford has stated that the effect of his plan on the American economy will be minimal. As my colleagues on the Commerce Committee have stated, the facts and figures on which he bases this estimation are at best misleading and at worst plain mistruths. The truth is that the President's decontrol plan will have a very significant adverse impact on the American economy. In fact, any decontrol plan will have an effect on the economy, but the particular error in the President's plan is that it attempts to decontrol over a 30-month period. I feel strongly that this period is not long enough to allow the American economy to adjust to the sudden price increases. Other Members of Congress have proposed 5-year decontrol plans, and while I do not agree with this policy, these plans at least allow for gradual price increases over an extended period of time. A 30-month decontrol plan would have a disasterous effect on all businesses directly dependent on oil and would have a significant rippling effect on all other industries in the Nation. The Commerce Committee analysis, which I might add was expertly done in such a short period of time, indicates that the President's plan would increase unemployment by 800,000, increase consumer prices by 2 percent, and decrease housing starts by 268,000 units. This impact on the economy is not what I term as minimal.

Additionally I would like to add that although the Members of this body may be tired of hearing about the problems

of New England, the President's decontrol plan would affect the New England economy much more severely than it would the American economy as a whole. As most Members know, New England is dependent on oil for the vast majority of its energy needs; and thus a plan to decontrol—especially in such a short period of time—will have a crippling effect on an economy that is already laboring under a 12-percent unemployment rate.

Second, President Ford has urged the adoption of his plan because it is a necessary step to assure energy independence for this Nation. This is a half truth at best, and I hope my colleagues will not be deceived into believing this. There is no reason to believe in the FEA figures that a 30-month decontrol plan will increase oil production in the short run. I do not doubt that his plan will increase production to some extent in the long run, but there is no need to do so in such a short period of time and further weaken a struggling economy.

I personally feel that a decontrol plan is not needed to provide a sufficient incentive for increased oil production. And while this is not the issue of debate here, the point to be remembered is that perhaps decontrol would increase production in the long run but certainly not in the short run. Thus in this regard a 30-month plan is not going to be any better than a 5-year decontrol plan.

Another point that I would like to bring out deals directly with the plan to decontrol over any period of time. If domestic oil prices are decontrolled they would obviously rise to the market price, in other words the price imposed by the OPEC nations. This fact is alarming in itself because there is certainly nothing in the OPEC pricing scheme that resembles a market as we understand that word. But this matter would be further aggravated by the misplaced incentives of the American oil companies in any decontrol plan. With decontrol, it would no longer be in the interest of the American oil companies to gain a low price for oil produced by OPEC nations. In fact, the higher the price for OPEC oil, the higher the price the oil companies would be able to charge for domestic oil. Thus, it will be in the best interest of the oil companies to join with the OPEC nations in increasing oil prices. This is a dangerous coalition to create. Even with a windfall profits tax provision, Congress will be hard pressed to effectively correct this situation.

One last point is the strategy that President Ford is developing on the oil pricing situation. As my colleagues fully realize, the Mandatory Allocation Act which I authored in the 93d Congress is due to expire on August 31. I do not need to tell anyone here what that will mean for the American economy. Even President Ford recognizes the catastrophic consequences of this action; and yet, the President continues to play politics as we move closer to the August 31 deadline. President Ford has submitted his 30-month decontrol plan, in what he terms a compromise measure. This compromise is rhetoric at best and I feel it is in direct opposition to the beliefs and needs of the American people.

In the last 2 weeks Congress will have submitted a number of bills which I consider are viable and comprehensive solutions to this Nation's energy problems. President Ford has indicated that he will veto them all. We recently witnessed the veto of H.R. 4035, which extended the Mandatory Allocation Act to December 31 and also rolled back the price of new oil. President Ford has indicated that he will also veto a simple mandatory allocation extension. It also appears obvious that President Ford would veto the Commerce energy bill, H.R. 7014, with any oil rollback price provision. This is certainly not a spirit of compromise—the truth is that he has not and will not compromise at all.

It remains to be seen what ploys President Ford will be using in the next few weeks but the fact is that despite all the rhetoric, President Ford's 30-month decontrol bill is not an equitable solution to the oil price situation. The bill will create serious dislocations in our economy at a time when we can least afford it.

Mr. STOKES. Mr. Chairman, I rise in support of House Resolution 605 and at the same time want to urge my colleagues to override President Ford's veto of the related Petroleum Price Review Act. This veto is yet another example of this administration's insensitive and disastrous economic policies.

The vetoed bill would have extended the Petroleum Allocation Act of 1973 for another 4 months so that the price of old domestic oil—from wells in existence in 1972—would remain controlled at $5.25 a barrel. At a time when economic indicators suggest that we are slowly but finally beginning to reverse the financial slide of the past few years, the last thing the President of the United States should be doing is taking negative actions that raise prices and increase unemployment—and we should not let him.

Numerous private groups and organizations, congressional committees, and executive offices have all warned that the decontrol of domestic oil would have a highly destructive effect on our economy. While estimates vary somewhat on how devastating that effect would be, the immediate result would be that controlled oil would skyrocket to the levels of new and imported oil, now in excess of $13 a barrel. The recent astronomical rise in the price of imported oil by the OPEC countries has demonstrated all too clearly the disastrous "ripple" effect of such increases. Can we tolerate a 140-percent rise in the price of domestic oil which could very well result in an additional 800,000 unemployed, 100,000 fewer housing starts, and a drop of about $20 billion in our gross national product?

It is my urgent hope that my congressional colleagues will recognize the seriousness of decontrolling oil. I hope the magnitude of this matter will be carefully weighed by each Member when we are asked to override this veto on Thursday. Energy legislation must not be enacted at the expense of our fragile economy. On the contrary, since our depressed economic situation exists to a great extent because of the energy crisis, both these problems must be solved jointly. Congress is presently very close to passing comprehensive legislation that would combat many of our energy-related problems.

Let us carefully and properly exercise the responsibility we have, as representatives of the people, by enacting energy legislation that would reduce our consumption and at the same time boost the economic health of our country. Let us call upon the President to recognize that as an unelected head of the executive he has an especially acute responsibility to be responsive to all Americans. Let us call upon him to reject the indiscriminate raising of the price of gasoline and oil. Let us remind him that such actions only increase the personal hardship caused by our already high unemployment and recessionary rates. And, finally, let us call upon the American people to voice their opposition to Presidential vetoes that increase unemployment, raise prices, and worsen the already heavy burden that has been placed upon all Americans, and especially upon those who can afford it least.

Mr. Chairman, I urge passage of House Resolution 605.

Mr. BAUMAN. Mr. Chairman, like others among us, I have been sitting here and listening while various of my colleagues address themselves to the matter of House Resolution 604. What disturbs me is a failure on the part of some of us to recognize and be serious about solving the central problem we face. That problem is the decline in domestic oil production. In fact, it appears from the debate that the majority party would rather produce a political issue than a solution to the problem.

I am sure no one among us desires a future characterized by powerless cars and unheated homes. Yet this is a mild form of the impending disaster we can look forward to unless action is taken to remove price controls of domestic crude oil.

I have heard fine words, bravely spoken against our Nation's increasing dependence on foreign oil. Yet these same defenders of our national sovereignty cannot find it in themselves to support a practical solution to these problems. That solution has been proposed by the President. It is a solution which allows for the fact that oil under our American soil is being left there because Government controls have made it unprofitable for companies to pump it up.

In my district in Maryland, alone, there is hardly a single profession which is not dependent on an available and ready fuel supply, nor is there one which will not soon be jeopardized unless that supply is increased. The problem is not merely an academic one for them. We are not only talking about long lines at gas stations and slightly higher gas bills. We are talking about truckers whose vehicles will not run, watermen whose boats will not move, and farmers and businessmen whose livelihoods have been placed on death row. They and their workers will be the first victims of the energyless country we will live in should we fail to sustain a program of stimulating production and energy conservation by gradually decontrolling gas and oil. I have no grief for the oil companies, but I do indeed have a great deal of

concern that the people I represent have adequate energy supplies.

It is a myth to hold, as the supporters of House Resolution 604 appear to do, that any national economy this side of reality can prosper and at the same time place limits on production. If controls have taught us anything, it is that Congress cannot repeal the economic law of supply and demand. Controls have proven to be a joke—a cruel joke. Those of my colleagues who originally supported those controls are now presented with an opportunity to make amends by voting against House Resolution 604. I would urge them to do so.

Mr. ROYBAL. Mr. Chairman, I rise in support of House Resolution 605, which would disapprove the President's proposal to decontrol oil prices over a 30-month period.

The action we take here today will profoundly affect the economic well-being of our country for years to come. The President proposes to allow the price of old oil now priced at $5.25 per barrel to rise over a 30-month period to $13.50. The effect of the President's proposal on our country's economy would be devastating.

The administration contends that the effects of the 30-month decontrol would be minimal. But a congressional study shows that by the fourth quarter of 1977, the President's proposal will cause 800,000 more people to be unemployed, increase consumer prices by 2 percent, decrease housing starts by more than a quarter million, and decrease automobile sales by 1 million units. I find it difficult to believe that the Congress could vote to inflict such a program on a Nation that already suffers from unemployment in excess of 9 percent and inflation that has played havoc with the consumer's real disposable income.

The administration would have us believe that we need higher oil prices to spur a conservation program. But the truth belies the administration's rhetoric. Gasoline usage is relatively inelastic. Prices have already risen 70 percent over their 1973 levels, and yet FEA reports that gasoline consumption is still rising. The vast majority of Americans are telling us that they will continue to buy gasoline at any price and cut their expenditures elsewhere.

The effect of this decision will be a reduction of the amount spent on consumer goods, and an increase in the profits of the oil companies. The only people who may cut their consumption are the poor. I feel a policy which places the burden of energy crisis on one segment of our society to be reprehensible.

Finally, the administration would have us believe that the American consumer should pay $13.50 per barrel for old oil so that the oil companies will have enough capital to explore for new sources of energy. The oil which is the subject of this resolution was easily found and inexpensively recovered. A few years ago, it was profitably sold at prices averaging $3 per barrel. At its present price of $5.25 per barrel, it already produces a windfall return. At $13.50 per barrel, the profit would be ludicrously unconscionable.

Even the oil companies never expected such an astronomical return on their investment. A few years ago, they testified before the Interstate Commerce Committee to the effect that a price of $4.50 per barrel would be sufficient for them to meet their capital needs. Just last year they indicated that they needed $7.50 per barrel. The administration's pricing policy would legislate profit margins we now associate with robber barons and foreign cartels.

Mr. Chairman, we need to view our old oil as a national resource which is allowing the consumer to enjoy lower prices while we search for other energy alternatives. We know that the price of energy will rise in the future. We know that we must set to work to develop acceptable energy alternatives. But there is no reason to inflict any additional price increase on a citizenry that is already suffering from recession and unemployment.

The CHAIRMAN. All time for general debate on the resolution having expired, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McKAY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 605) disapproving the proposed amendment by the President to remove existing price controls relating to crude oil, pursuant to House Resolution 613, he reported the resolution back to the House.

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

The question is on the resolution.

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

Mr. BROWN of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 262, nays 167, not voting 5, as follows:

[Roll No. 417]

YEAS—262

Abdnor	Burke, Calif.	Emery
Abzug	Burke, Fla.	Eshleman
Adams	Burke, Mass.	Evans, Colo.
Addabbo	Burlison, Mo.	Evans, Ind.
Alexander	Burton, John	Evins, Tenn.
Ambro	Burton, Phillip	Fary
Anderson, Calif.	Byron	Fascell
Andrews, N.C.	Carney	Fisher
Andrews, N. Dak.	Carr	Fithian
Annunzio	Carter	Flood
Ashley	Chisholm	Florio
Aspin	Clay	Foley
AuCoin	Cohen	Ford, Mich.
Badillo	Collins, Ill.	Ford, Tenn.
Bafalis	Conte	Fountain
Baldus	Conyers	Fraser
Barrett	Corman	Fulton
Baucus	Cornell	Fuqua
Beard, R.I.	Cotter	Gaydos
Bedell	Coughlin	Giaimo
Bennett	D'Amours	Gilman
Bergland	Daniels, N.J.	Ginn
Biaggi	Danielson	Gonzalez
Biester	Delaney	Green
Bingham	Dellums	Gude
Blanchard	Diggs	Haley
Blouin	Dingell	Hall
Boland	Dodd	Hamilton
Bolling	Downey, N.Y.	Hanley
Bonker	Drinan	Hannaford
Bowen	Duncan, Oreg.	Harkin
Brademas	Early	Harrington
Breckinridge	Eckhardt	Harris
Brodhead	Edgar	Harsha
	Edwards, Calif.	Hawkins
	Eilberg	Hayes, Ind.
Hays, Ohio	Mink	Roybal
Hechler, W. Va.	Mitchell, Md.	Russo
Heckler, Mass.	Moakley	Ryan
Hefner	Moffett	St Germain
Heinz	Mollohan	Santini
Helstoski	Moorhead, Pa.	Sarbanes
Henderson	Morgan	Scheuer
Hicks	Moss	Schroeder
Holland	Mottl	Seiberling
Holtzman	Murphy, Ill.	Sharp
Howard	Murphy, N.Y.	Simon
Howe	Murtha	Sisk
Hubbard	Myers, Ind.	Slack
Hughes	Natcher	Smith, Iowa
Hungate	Neal	Snyder
Jacobs	Nedzi	Solarz
Jeffords	Nix	Spellman
Johnson, Calif.	Nolan	Staggers
Jones, Ala.	Nowak	Stanton, James V.
Jones, N.C.	Oberstar	Stark
Jones, Tenn.	Obey	Stokes
Jordan	O'Hara	Stratton
Karth	O'Neill	Stuckey
Kastenmeier	Ottinger	Studds
Keys	Patman, Tex.	Sullivan
Koch	Patten, N.J.	Symington
Krebs	Patterson, Calif.	Taylor, Mo.
Krueger	Pattison, N.Y.	Taylor, N.C.
LaFalce	Pepper	Thompson
Leggett	Perkins	Traxler
Lehman	Peyser	Tsongas
Levitas	Pickle	Udall
Litton	Pike	Ullman
Lloyd, Calif.	Pressler	Van Deerlin
Lloyd, Tenn.	Preyer	Vander Veen
McCormack	Price	Vanik
McDade	Randall	Vigorito
McFall	Rangel	Walsh
McHugh	Regula	Waxman
McKay	Reuss	Weaver
Macdonald	Richmond	Whalen
Madden	Riegle	Whitten
Maguire	Rinaldo	Wilson, C. H.
Mazzoli	Rodino	Wirth
Meeds	Roe	Wolff
Melcher	Rogers	Wright
Metcalfe	Roncalio	Yates
Meyner	Rooney	Yatron
Mezvinsky	Rose	Young, Ga.
Mikva	Rosenthal	Zablocki
Miller, Calif.	Rostenkowski	Zeferetti
Mineta	Roush	
Minish		

NAYS—167

Anderson, Ill.	Flynt	Martin
Archer	Forsythe	Mathis
Armstrong	Frenzel	Michel
Ashbrook	Frey	Milford
Bauman	Gibbons	Miller, Ohio
Beard, Tenn.	Goldwater	Mills
Bell	Goodling	Mitchell, N.Y.
Bevill	Gradison	Montgomery
Boggs	Grassley	Moore
Breaux	Guyer	Moorhead, Calif.
Brinkley	Hagedorn	Mosher
Brooks	Hammer-schmidt	Myers, Pa.
Broomfield	Hansen	Nichols
Brown, Calif.	Hastings	O'Brien
Brown, Mich.	Hébert	Passman
Brown, Ohio	Hightower	Pettis
Broyhill	Hillis	Poage
Buchanan	Holt	Pritchard
Burleson, Tex.	Horton	Quie
Butler	Hutchinson	Quillen
Casey	Hyde	Railsback
Cederberg	Ichord	Rees
Chappell	Jarman	Rhodes
Clancy	Jenrette	Risenhoover
Clawson, Del	Johnson, Colo.	Roberts
Cleveland	Johnson, Pa.	Robinson
Cochran	Jones, Okla.	Rousselot
Collins, Tex.	Kasten	Runnels
Conable	Kazen	Ruppe
Conlan	Kelly	Sarasin
Crane	Kemp	Satterfield
Daniel, Dan	Ketchum	Schneebeli
Daniel, R. W.	Kindness	Schulze
Davis	Lagomarsino	Sebelius
de la Garza	Landrum	Shipley
Dent	Latta	Shriver
Derrick	Lent	Shuster
Derwinski	Long, La.	Sikes
Devine	Long, Md.	Skubitz
Dickinson	Lott	Smith, Nebr.
Downing, Va.	Lujan	Spence
Duncan, Tenn.	McClory	Stanton, J. William
du Pont	McCloskey	Steed
Edwards, Ala.	McCollister	Steelman
English	McDonald	Steiger, Ariz.
Erlenborn	McEwen	Stephens
Esch	McKinney	Symms
Fenwick	Madigan	Talcott
Findley	Mahon	Teague
Fish	Mann	
Flowers		

Thone	White	Wydler
Thornton	Whitehurst	Wylie
Treen	Wiggins	Young, Alaska
Vander Jagt	Wilson, Bob	Young, Fla.
Waggonner	Wilson, Tex.	Young, Tex.
Wampler	Winn	

NOT VOTING—5

Burgener	Hinshaw	Steiger, Wis.
Clausen, Don H.	Matsunaga	

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HEARING OF SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW OF COMMITTEE ON JUDICIARY ON JULY 31, 1975

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

Mr. HUNGATE. Mr. Speaker, the gentleman from New Jersey (Mr. RODINO), chairman of the Committee on the Judiciary, has asked me to announce that the Subcommittee on Monopolies and Commercial Law of the Committee on the Judiciary will hold a hearing on the present structure and problems of retail gasoline marketing and pricing on Thursday, July 31, 1975, at 9 a.m. in committee room 2141 of the Rayburn Building.

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 resolution just agreed to.

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

There was no objection.

EMERGENCY LOAN PROGRAM

Mr. BERGLAND filed the following conference report and statement on the Senate bill (S. 555) to amend the Consolidated Farm and Rural Development Act:

CONFERENCE REPORT (H. REPT. No. 378)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 555) to amend the Consolidated Farm and Rural Development Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SEC. 2. Subsection (a) of section 321 of the Act is amended to read: "The Secretary shall designate any area in the United States, Puerto Rico, and the Virgin Islands as an emergency area if he finds that a natural disaster has occurred in said area which substantially affected farming, ranching, or aquaculture operations. For purposes of this subtitle 'aquaculture' means husbandry of aquatic organisms under a controlled or selected environment.".

SEC. 3. Subsection (b) of section 321 of the Act is amended as follows:

(a) in the first sentence after the words "major disaster" insert "or emergency", strike the words "oyster planters" and "oyster planting" and insert in lieu thereof the words "persons engaged in aquaculture" and "aquaculture", respectively; and

(b) delete everything after the first sentence, strike the period, and insert: "and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time. The provisions of this subsection shall not be applicable to loan applications filed prior to July 9, 1975.".

SEC. 4. Section 322 of the Act is amended to read: "Loans may be made under this subtitle for any of the purposes authorized for loans under subtitle A or B of this title as well as for crop or livestock changes deemed desirable by the applicant: *Provided*, That such loans may include, but are not limited to, the amount of the actual loss sustained as a result of the disaster.".

SEC. 5. Section 324 of the Act is amended to read: "Loans made or insured under this Act shall be (1) at a rate of interest not in excess of 5 per centum per annum on loans up to the amount of the actual loss caused by the disaster, and (2) for any loans or portions of loans in excess of that amount, the interest rate will be that prevailing in the private market for similar loans, as determined by the Secretary. All such loans shall be repayable at such times as the Secretary may determine, taking into account the purposes of the loan and the nature and effect of the disaster, but not later than provided for loans for similar purposes under subtitles A and B of this title, and upon the full personal liability of the borrower and upon the best security available, as the Secretary may prescribe: *Provided*, That the security is adequate to assure repayment of the loans; except that if such security is not available because of the disaster, the Secretary shall (i) accept as security such collateral as is available, a portion or all of which may have depreciated in value due to the disaster and which in the opinion of the Secretary, together with his confidence in the repayment ability of the applicant, is adequate security for the loan, and (ii) make such loan repayable at such times as he may determine, not later than that provided under subtitles A and B of this title, as justified by the needs of the applicant: *Provided further*, That for any disaster occurring after January 1, 1975, the Secretary, if the loan is for a purpose described in subtitle B of this title, may make the loan repayable at the end of a period of more than seven years, but not more than twenty years, if the Secretary determines that the need of the loan applicant justifies such a longer repayment period: *Provided further*, That notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with a disaster occurring on or after the date of enactment of this amendment under section 7(b)(1), (2), or (4) of the Small Business Act shall bear interest at the rate determined in the first paragraph following section 7(b)(8) of such Act for loans under paragraphs (3), (5), (6), (7), or (8) of section 7(b).".

SEC. 6. Section 325 of the Act is amended to read as follows: "The Secretary may delegate authority to any State director of the Farmers Home Administration to make emergency loans in any area within a State of the United States, Puerto Rico, or the Virgin Islands on the same terms and conditions set out in section 321(a) without any formal area designation being made: *Provided*, That the State director finds that a natural disaster has substantially affected twenty-five or less farming, ranching, or agriculture operations in the area.".

SEC. 7. At the end of subtitle C of the Act, add a new section 329 stating: "An applicant seeking financial assistance based on production losses must show that a single enterprise which constitutes a basic part of his farming, ranching, or aquaculture operation has sustained at least a 20 per centum loss of normal per acre or per animal production as a result of the disaster.".

SEC. 8. At the end of subtitle C of the Act, add a new section 330 stating: "Subsequent loans, to continue the farming, ranching, or aquaculture operation may be made under this subtitle on an annual basis, for not to exceed five additional years, to eligible borrowers, at the prevailing rate of interest in the private market for similar loans as determined by the Secretary, when the financial situation of the farming, ranching, or aquaculture operation has not improved sufficiently to permit the borrower to obtain such financing from other sources.".

SEC. 9. At the end of subtitle D of the Act, add a new section 345 to read as follows:

"SEC. 345. On or before February 15 of each calendar year beginning with calendar year 1976, or such other date as may be specified by the appropriate Committee, the Secretary of Agriculture shall testify before the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture and provide justification in detail of the amount requested in the budget to be appropriated for the next fiscal year for the purposes authorized in the Consolidated Farm and Rural Development Act, as amended, and of the amounts estimated to be utilized during such fiscal year from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund.".

And the House agree to the same.

BOB BERGLAND,
E. DE LA GARZA,
ALVIN BALDUS,
GLENN ENGLISH,
JACK HIGHTOWER,
BERKLEY BEDELL,
RICHARD NOLAN,
WILLIAM C. WAMPLER,
EDWARD R. MADIGAN,
RICHARD KELLY,

Managers on the Part of the House.

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
GEORGE MCGOVERN,
JAMES B. ALLEN,
HUBERT H. HUMPHREY,
ROBERT DOLE,
CARL T. CURTIS,
HENRY BELLMON,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 555) to amend the Consolidated Farm and Rural Development Act submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report. The differences between the Senate bill and the House amendment and the substitute agreed to in conference are noted in the following outline, except for conforming, clarifying, and technical changes:

(1) *Designation of emergency areas.*

The *Senate* bill "authorizes" the Secretary to designate any area as an emergency area for purposes of the emergency loan program if he finds that a natural disaster has occurred in the area which substantially affected farming, ranching, or "oyster-producing" operations.

The *House* amendment "requires" the Secretary to make loans in such situations; and

strikes "oyster-producing" each place it appears in the *Senate* bill and inserts in lieu thereof "aquaculture". The *House* amendment defines "aquaculture" as meaning "husbandry of aquatic organisms under a controlled or selected environment". The *House* amendment also includes under the definition of "natural disaster" the natural occurrence of certain biological organisms, including organisms known as "the Red Tide".

The *Conference* substitute adopts the *House* amendment with an amendment deleting the sentence which provides that "natural disaster" shall include the natural occurrence of certain biological organisms, including the Red Tide.

The *Conferees* intend, however, that the Secretary of Agriculture coordinate his activities with those of the Secretary of Commerce and the Administrator, Small Business Administration, so as to insure that all possible assistance will be made available to those engaged in aquaculture who are victims of natural occurrences such as the Red Tide. It is of particular concern to the *Conferees* that those engaged in aquaculture, as defined in section 2 of this bill, not find themselves in a "no man's land" of disaster assistance where, through technical interpretations of the law, they are unable to obtain disaster loan assistance from either the Farmers Home Administration or the Small Business Administration.

Therefore, the Secretary of Agriculture, working in conjunction with the Secretary of Commerce, and the Administrator, Small Business Administration, is directed to conduct a study and make a report to the Congress on or before January 1, 1976, concerning the extent of economic injury incurred by those involved in aquaculture, as defined in this bill, who are unable to produce and market a product for human consumption because of disease or toxicity in such product caused by the natural occurrence of certain biological organisms such as, but not limited to, the Red Tide. The report shall include: (1) descriptions of programs under which loan assistance is made available to such disaster victims; (2) statistics setting forth the amount of loan assistance provided; (3) geographical areas, or boundaries, within which such assistance has been provided; and (4) types of natural occurrences of certain biological organisms which have been covered by loan assistance.

The Secretary is further directed to include in his report action which has been, or is being, undertaken by the Executive Branch to resolve any problems which may involve disaster victims engaged in aquaculture who apply for disaster loan assistance and to submit legislative recommendations where existing legal authority is unclear or in need of amendment.

(2) *"Credit elsewhere" requirement.*

Both the *Senate* bill and the *House* amendment provide that loans would be made only to victims of a disaster who are unable to obtain sufficient credit elsewhere at reasonable rates and terms.

The *House* amendment provides that this "credit elsewhere" requirement shall not apply to loan applications filed prior to July 9, 1975.

The *Conference* substitute adopts the *House* amendment. It is, however, the intent of the *Conferees* that the "credit elsewhere" requirement be implemented by the Farmers Home Administration in such a manner as not to delay affording needed assistance to victims of disasters.

(3) *Emergency loans for crop or livestock changes.*

The *Senate* bill authorizes loans for crop or livestock changes deemed desirable "as a result of changes in market demand since the occurrence of the disaster".

The *House* amendment authorizes loans for crop or livestock changes deemed desirable "by the applicant".

The *Conference* substitute adopts the *House* amendment.

(4) *Interest rate on loans in excess of $100,000.*

The *Senate* bill provides (as under existing law) that the maximum rate of interest for emergency loans made for actual losses would be 5 percent per year.

The *House* amendment retains the *Senate* provision but revises it to provide that the amount eligible for the 5 percent rate of interest could not "exceed $100,000 per loan". The balance would be at the interest rate prevailing in the private market for similar loans.

The *Conference* substitute deletes the limitation contained in the *House* amendment. In taking this action, the *Conferees* note that there is no such limitation in the Small Business Act under which the Small Business Administration makes disaster loans.

(5) *Security and collateral for emergency loans.*

The *House* amendment requires the Secretary to accept as security for repayment of emergency loans collateral which has depreciated in value because of the disaster if the collateral, together with the lender's confidence in the repayment ability of the applicant, is adequate security. The *House* amendment also requires the Secretary to make emergency loans if no collateral is available because of the disaster and the lender has sufficient confidence in the repayment ability of the applicant to assure repayment of the loan. In both cases, the Secretary is required to make the loans repayable at such times as he may determine, as justified by the needs of the applicant (but not later than the repayment periods for real estate loans and operating loans under existing law).

The *Senate* bill contains no comparable provision.

The *Conference* substitute adopts the *House* amendment with two modifications. The *Conference* substitute deletes the requirement that loans be made in cases where no collateral is available. In cases where the collateral has depreciated in value because of the disaster, the loan is required to be made if the collateral, together with the *Secretary's* confidence in the applicant's repayment ability, is adequate security.

(6) *Special loans.*

The *Senate* bill authorizes the Secretary—with respect to any disaster occurring between January 1, 1975, and July 1, 1976—to make an emergency loan for an operating-type purpose for not more than 20 years if it is determined that the applicant's financial need as a result of the disaster justifies a longer repayment term than that normally extended for operating loans, and there is adequate security to assure repayment over the longer period.

The *House* amendment retains the *Senate* provision but makes it applicable with respect to any disaster occurring after January 1, 1975.

The *Conference* substitute adopts the *House* amendment.

(7) *Interest rate on disaster loans made by the Small Business Administration.*

The *House* amendment provides that, notwithstanding the provisions of any other law, any loan made by the Small Business Administration in connection with a disaster occurring on or after the date of enactment of the bill shall bear interest *at* the rate determined under section 7(a)(4)(b) of the Small Business Act; namely, at the average annual interest rate on all interest bearing obligations of the United States, then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the loan and adjusted to the nearest one-eighth of one per centum plus one-fourth of one per centum per annum.

The *Senate* bill contains no comparable provision. (Under existing law, the maximum rate of interest for disaster loans made by the Small Business Administration is 5 percent per year and is governed by the interest rate for FHA emergency loans under section 324 of the Consolidated Farm and Rural Development Act. The *Senate* bill and the *House* amendment amend section 324 of the Act to provide that the prevailing private market rate of interest for similar loans, as determined by the Secretary, shall apply to the amount of any loan in excess of the actual loss caused by the disaster.)

The *Conference* substitute adopts the *House* amendment with an amendment that provides that loans made by the Small Business Administration in connection with a disaster occurring on or after the date of enactment of the bill shall bear interest at a rate that shall be *not more than* the rate specified in the *House* amendment.

(8) *Eligibility for assistance based on production loss.*

The *Senate* bill provides that, in order to be eligible for emergency loan assistance based on a production loss, an applicant must show that he incurred at least a 20 percent loss of normal per acre or per animal production as a result of the disaster.

The *House* amendment retains the *Senate* provision but modifies it to provide that the applicant must show that "a single enterprise which constitutes a basic part" of his operation sustained at least a 20 percent loss.

The *Conference* substitute adopts the *House* amendment. The *Conferees* intend that the term "single enterprise" shall be construed to mean enterprises which constitute parts of the applicant's farming, ranching, or aquaculture operation. The following are examples of "single enterprises": (a) all cash crops; (b) all feed crops; (c) beef operations; (d) dairy operations; (e) poultry operations; (f) hog operations; and (g) aquaculture operations.

A "single enterprise" which constituted not less than 25 percent of the gross income from the farming operation is to be considered a "basic" enterprise. Therefore, in order to be eligible for a disaster loan, an applicant must have sustained at least a 20 percent loss of normal per acre or per animal production as a result of the disaster in one or more basic single enterprises.

(9) *Use of the ACIF to pay administrative expenses.*

The *Senate* bill provides that in the administration of the emergency loan program, the Secretary may utilize funds from the Agricultural Credit Insurance Fund to pay for administrative expenses of the program.

The *House* amendment strikes the *Senate* provision.

The *Conference* substitute deletes the *Senate* provision. The *Conferees* note that, under existing law, the Secretary may draw whatever amounts are needed from the Agricultural Credit Insurance Fund for administration of the emergency loan program.

(10) *Congressional authorization prior to any appropriations under the Consolidated Farm and Rural Development Act; use of revolving funds.*

The *House* amendment provides that amounts authorized to be appropriated for the purposes of the Consolidated Farm and Rural Development Act for each fiscal year ending after September 30, 1976, shall be the sums hereafter authorized by law. The *House* amendment also provides that the Secretary could utilize sums from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund during each fiscal year after September 30, 1976, only in such amounts as may be authorized annually by law.

The *Senate* bill contains no comparable provision.

In lieu of the *House* amendment, the *Conference* substitute provides that on or before

February 15 of each calendar year beginning with calendar year 1976, or such other date as may be specified by the appropriate Committee, the Secretary of Agriculture shall testify before the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture and provide justification in detail of the amount requested in the budget to be appropriated for the next fiscal year for the purposes authorized in the Consolidated Farm and Rural Development Act, and of the amounts estimated to be utilized during such fiscal year from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund.

Under the *Conference* substitute, the Secretary would be required to testify and provide a detailed justification (1) of appropriations requested for such items as the restoration of losses previously incurred in the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund, direct loans and grants under the Consolidated Farm and Rural Development Act, and salaries and expenses of the Farmers Home Administration in administering programs authorized under the Act, and (2) of amounts provided in the budget as estimated to be expended for the next fiscal year from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund for such matters as financing real estate loans, operating loans, emergency loans, water and facility loans, industrial development loans, and community facility loans.

BOB BERGLAND,
E. DE LA GARZA,
ALVIN BALDUS,
GLENN ENGLISH,
JACK HIGHTOWER,
BERKLEY BEDELL,
RICHARD NOLAN,
WILLIAM C. WAMPLER,
EDWARD R. MADIGAN,
RICHARD KELLY,
Managers on the Part of the House.

HERMAN E. TALMADGE,
JAMES O. EASTLAND,
GEORGE MCGOVERN,
JAMES B. ALLEN,
HUBERT H. HUMPHREY,
ROBERT DOLE,
CARL T. CURTIS,
HENRY BELLMON,
Managers on the Part of the Senate.

SIXTH ANNUAL REPORT OF THE INDEPENDENT NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS AND THE NATIONAL HOUSING PARTNERSHIP—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing:

To the Congress of the United States:

As required by Public Law 90–448, I am transmitting herewith the Sixth Annual Report of the Independent National Corporation for Housing Partnerships and the National Housing Partnership.

GERALD R. FORD.

THE WHITE HOUSE, *July 22, 1975.*

PERSONAL EXPLANATION

Mr. MAZZOLI. Mr. Speaker, because I was required to be in my congressional district on Monday, July 21, I was absent for rollcalls Nos. 411–413.

Had I been present I would have voted as follows:

"Aye" on rollcall No. 411, final passage of H.R. 6971, Consumer Goods Pricing Act.

"Aye" on rollcall No. 412, final passage of H.R. 8240, Veterans' Administration Physicians and Dentists Comparability Pay Act.

"Aye" on rollcall No. 413, final passage of H.R. 8598, the child support program improvements.

ENERGY CONSERVATION AND OIL POLICY ACT OF 1975

Mr. DINGELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demand; to prepare for energy emergencies; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. DINGELL).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7014, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on Friday, July 18, 1975, it had agreed that title III, ending on line 22 on page 238 of the committee amendment in the nature of a substitute, would be considered as read, printed in the RECORD, and open to amendment at any point; and there was pending the amendment offered by the gentleman from Texas (Mr. KRUEGER) and the amendment offered by the gentleman from Pennsylvania (Mr. HEINZ) as a substitute for the Krueger amendment.

Mr. HEINZ. Mr. Chairman, on July 18, 1975, during consideration of H.R. 7014, I offered a substitute amendment to the Krueger amendment. I have discovered that two lines of the amendment were inadvertently omitted. In section (4) (A), immediately after "the months of May through December, 1972.", the amendment should have read: "(B) The term 'inflation minimization taxes consonant with the purposes of this section' means (i) in the case of".

Mr. Chairman, I ask unanimous consent to so modify my amendment.

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

Mr. DINGELL. Mr. Chairman, reserving the right to object, the gentleman from Pennsylvania has communicated his request to me. As I understand, the gentleman simply seeks to make a technical change caused through an error in the printing of this amendment, and that it is not a substantive change.

Mr. HEINZ. The gentleman is entirely correct.

Mr. DINGELL. Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania (Mr. HEINZ) reluctantly because I have great respect for him. But I must say that it has the same impact that the legislation H.R. 4035 has with respect to a rollback of the price of oil, and I think that is counterproductive to what we want to try to accomplish with reference to oil production. It moves that price back to a cap of $11.28. It has no provision, as I understand it, for the rebate of funds to those who are adversely affected by price increases of domestic oil.

It seems to me that the amendment offered by the gentleman from Pennsylvania does the worst of both things. It makes for a somewhat lower price of oil, although not a radically lower price of oil than what we now have, which would in effect encourage consumption. It makes for a return to the producer lower than we have currently, which discourages production. For that reason, I feel, Mr. Chairman, that we should not approve this amendment but, rather, draft the amendment offered by the gentleman from Texas (Mr. KRUEGER) in such a way that it can reflect the most positive results in terms of both production and consumption.

Again—and I know that this bores my colleagues for me to continue to say it—our objective should be to stimulate the production of oil in this country and to discourage its consumption in this country, consonant with our ambition to see that the economic impact of higher prices is relieved, to the extent that that is possible, on those in our society who are at least able to pay.

I think the amendment offered by the gentleman from Texas (Mr. KRUEGER) moves in that direction. As a matter of fact, I shall support the amendment offered by the gentleman from Texas (Mr. KRUEGER), pending any better amendment that is offered, on the theory that it provides for us that area of compromise which we might find attractive on both sides of the aisle, on which I would hope we might find some agreement with the administration.

I am not in a position to speak to the administration's position on the Krueger amendment. I do understand that there is objection on the part of the Committee on Ways and Means to the rather specifix tax provisions in the Krueger amendment, and I understand that they are making some effort to modify that specific provision in such a way as to leave more latitude to the members of the Committee on Ways and Means for them to craft the appropriate tax provision on windfall profits and the exemption for appropriate plowback.

Of course, they will also have to craft whatever is included in terms of rebates to the consumers which will be financed by those two taxes and any excise taxes

which might be put on oil in connection therewith.

So, Mr. Chairman, it is my feeling that we should proceed to consider the basic Krueger amendment on that basis and not confuse it with the addition of the Heinz amendment. I would therefore urge my colleagues on both sides of the aisle to vote in opposition to the Heinz amendment.

Mr. DINGELL. Mr. Chairman, I rise in most reluctant opposition to the amendment offered by the gentleman from Pennsylvania. I hope that while I speak I will have the attention of the gentleman from Pennsylvania (Mr. HEINZ).

I would first like to commend the gentleman from Pennsylvania for offering this amendment and I would point out to the House that the amendment is significantly similar, if not almost identical, to one offered by me in the Committee when this legislation was before us at that time. I thought at that time, as I do at this moment, that the amendment had a great deal of merit. In all honesty, it is my judgment that this proposal is superior in terms of fairness to the consumer and meeting our energy problems than either of the proposals before us, either that offered by my friend, the gentleman from Texas (Mr. KRUEGER), or that offered by my friend, the gentleman from Texas (Mr. ECKHARDT).

It is with considerable regret that I indicate that, although I find the amendment does have significantly more benefit insofar as the consumer and industry and insofar as the national interests are concerned by providing greater supply and abating the importation of oil, I must regretfully, as chairman of the subcommittee, oppose the amendment.

Mr. OTTINGER. Mr. Chairman, I move to strike the last word and I rise in opposition to the amendment.

Mr. Chairman, I do not see any more justification for the Heinz amendment than I do for the Krueger amendment. Both would provide for a very substantial escalation of the cost up to the neighborhood of the current OPEC prices and create a burden on the American economy that I do not think is justified; nor do I think it is tolerable in the present economic situation of the country.

Nor do I think the price decontrol provided in both amendments is necessary at all in order to obtain the conservation we need. We can do that by mandatory provisions which we have provided elsewhere in H.R. 7014 for conservation.

Nor do I think decontrol is in any way justified to bring about production of new resources that we want. In this connection I would like to read to the Committee a response from Louis J. Engel, supervisory regulatory gas utility specialist, in response to an inquiry from the Honorable WARREN G. MAGNUSON, chairman of the Senate Committee on Commerce, with respect to what the current costs are of producing oil in this country.

I think these figures are significant. The FPC in response to Chairman MAGNUSON said that the current cost of producing new oil is $5.49 per barrel and the current cost of producing old oil, that oil which had already been discovered in 1972, is $2.96 per barrel.

Therefore it seems to me quite apparent that the prices which are provided in the Eckhardt amendment, as adopted by the committee, are fully adequate in order to be able to cover all the costs of the producers at today's costs and be able to get the kind of production we need in this country. There is no reason to more than double those costs and go to the world market price as the Krueger amendment would do or adopt a cap at $11.28 a barrel, also more than twice the cost of producing new oil and almost four times the cost of producing old oil.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, if I heard the gentleman correctly, he said the cost of producing old oil is $2.96 and the new oil is something like $5.50 a barrel. What explanation does the gentleman then give for some of the other figures I have listened to in the last few days of debate which indicate production in this country is down roughly by about 1 million barrels a day from I think May of 1972?

What is the reason for this sharp flaw in drilling and production, in view of the profitable business this has become?

Mr. OTTINGER. It is my sincere conviction—and it is hard to ascertain, one of the difficult things in this whole legislation in the 6 months we have been involved in this is to get accurate information—but so far as I can tell, the oil companies are holding production down in order to keep prices up, and to the extent they are producing, they are producing abroad rather than at home, because they can make more money that way. This is dramatically illustrated by the fact that oil company profits skyrocketed in 1974 and to a lesser extent this year, yet domestic production was decreased substantially.

Mr. Chairman, I yield to the gentleman from Colorado (Mr. WIRTH) for collaboration.

Mr. WIRTH. Mr. Chairman, there has been significant discussion about whether drilling in the country is down. The most reliable indication of drilling starts is the sales analysis of the Hughes Tool Co. Their information is considered to be reliable by almost all parties involved in this issue. Consequently, we collected the figures from the Hughes Tool Co.; they suggest that on an annual basis there is a cycle of drilling that runs up and down. At this particular time of the year the cycle is down. That relates to the question of the gentleman as to why drilling is down; but later in the summer and in the fall drilling will go back up again. Right now we are at the bottom of the cycle. So I do not think it is fair to say just that drilling is down at this time.

Mr. OTTINGER. Mr. Chairman, there is another factor in this, that is, if the oil companies believe there is going to be decontrol, so that they believe they will get a much higher price in the near future as, indeed, it appears the President has been trying to get for them, they have every reason in the world to try to cut back on production, to withhold production until hoped for price increases can be realized.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. OTTINGER. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman, my interest is stimulated by the figures I have heard. The gentleman from Texas (Mr. CHARLES WILSON) referred to independents, in particular the time frame was 1965 to 1972, I believe, that drilling was off by 50 percent and there had been just a very sharp decline in exploration by that segment of the industry, not by big oil, but by that segment that is composed of the independent wildcatter that does most of the exploration, as I understand it, because of the unsatisfactory returns on the prices, they simply are not doing the exploration they once did.

AMENDMENT OFFERED BY MRS. SCHROEDER TO THE AMENDMENT OFFERED BY MR. HEINZ AS A SUBSTITUTE FOR AN AMENDMENT OFFERED BY MR. KRUEGER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER to the amendment offered by Mr. HEINZ as a substitute for the amendment offered by Mr. KRUEGER: In section 8(d)(2)(E)(ii)(a)(1) of the Emergency Petroleum Allocation Act of 1973 (as amended by the Heinz substitute amendment) strike the words ("including development or production from oil shale)," and insert a comma after "gas".

In section 8(d)(2)(E)(ii)(a)(2) of the Emergency Petroleum Allocation Act of 1973 (as amended by the Heinz substitute amendment) strike the words "oil shale".

POINT OF ORDER

Mr. OTTINGER. Mr. Chairman, I make a point of order against the amendment.

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

Mr. OTTINGER. Mr. Chairman, it is my understanding that the Heinz amendment is a substitute already. There is already a substitute pending and that must be acted upon before another substitute may be considered.

The CHAIRMAN. The Chair will state that an amendment to the Krueger amendment or an amendment to the Heinz substitute is still in order.

Therefore, the Chair overrules the point of order.

Mrs. SCHROEDER. Mr. Chairman, this is a very simple amendment. What it does, in essence, is to delete that portion that makes it in order for companies to get a plowback credit for expenditures for oil shale development.

I would hope the gentleman from Pennsylvania would look at this amendment carefully and be able to adopt it. I think his amendment is good, and one of the things his amendment is directed to is to finding new oil.

However, the problems of releasing oil from oil shale are not those of finding new oil for we know where the oil shale is. The question on oil shale is whether

we can get the oil shale into a crude oil form in a way that is economically and environmentally sound. The technology for retorting oil shale is very, very experimental at this point, and I do not think we would want to allow companies at this point involved in this experimental area to be able to write it off through the plowback provisions. They could be using the same money to go and find crude oil which we need immediately.

If I may offer an example, in Colorado last year, one of the experimental oil shale tracts leased by a joint venture of major oil companies from the Department of the Interior was leased for the sum of over $200,000,000. At the going price of $100,000 per oil well drilled, this oil shale experiment is costing the Nation 2,000 oil wells at a time when we need more drilling and exploration.

The policies on oil shale development have yet to be set by either Congress or the administration. I do not believe we need further incentives as long as there are no policies. Without my amendment, we will only be getting ahead of ourselves when we have plenty of time to do things in a better way.

Mr. OTTINGER. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I do not think that I quite understand the parliamentary situation. We have the Krueger amendment before us, the Heinz amendment as a substitute for that, and I do not see how the gentlewoman's amendment relates to either the Krueger amendment or the Heinz substitute amendment.

Mrs. SCHROEDER. This is an amendment to the Heinz substitute amendment.

Mr. OTTINGER. And it would provide that in the plowback they would not take into account shale oil?

Mrs. SCHROEDER. They could not get plowback credits for oil shale expenses.

Mr. OTTINGER. Mr. Chairman, I would support the gentlewoman's amendment even though I oppose the Heinz substitute amendment.

Mr. WIRTH. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to my colleague from Colorado.

Mr. WIRTH. Mr. Chairman, I wish to associate myself with the comments of the gentlewoman from Colorado, who I think offers a very sound amendment. What we see is a situation in which price and cost again is getting way ahead of all the other features relating to oil shale.

The first time this issue came up was in the Ways and Means Committee bill, and we struck it. Then it came up in the ERDA bill, and we struck the provision. If we were to adopt the gentlewoman's amendment, we would be consistent with House action. I would hope that the committee would see fit to support the gentlewoman's amendment.

Mr. HEINZ. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, as I understand the gentlewoman's amendment, it would strike the language of the Heinz amendment in section (d) with reference to oil shale. Is that not correct?

Mrs. SCHROEDER. That is correct.

Mr. HEINZ. I think the gentlewoman is probably aware that the Heinz amendment does not require the Ways and Means Committee to make oil shale a qualified investment. It is permissive in that regard.

Mrs. SCHROEDER. I understand that. I am just very fearful of our directing the Ways and Means Committee to allow this as a permissive plowback allowance until we have really determined what our policies on oil shale will be. I assume the basic intent of the gentleman's amendment is to convert this plowback allowance into crude oil as fast as possible in the areas where we do know what it costs and that there are tried and true methods. I would think that before we allow the plowback to be converted into experimental ventures, we should know much more about, first, which process will be used; second, what our policy is going to be; third, the environmental implications; and fourth, the economy of it.

Mr. HEINZ. Is the gentlewoman in favor of the Heinz substitute amendment?

Mrs. SCHROEDER. I think I would be in favor of it if it did not allow plowback credits for development oil shale.

Mr. HEINZ. If the gentlewoman's amendment is accepted, does she intend to support the Heinz amendment?

Mrs. SCHROEDER. If my amendment is accepted and passed, yes, I would support the Heinz amendment.

The CHAIRMAN. The time of the gentlewoman from Colorado has expired.

(On request of Mr. BROWN of Ohio and by unanimous consent Mrs. SCHROEDER was allowed to proceed for 3 additional minutes.)

I am curious to know why this now prohibits us from developing potential oil sources. Could the gentlewoman tell me what the potential of oil, domestic oil, that could be produced out of shale that would be prohibited if her amendment is adopted?

Mrs. SCHROEDER. We do not really know that, but as the gentleman knows, this amendment cannot really dictate to the Committee on Ways and Means what they can allow for a plowback credit on the tax forms. But what it can do is to just set some general parameters. And as I read the amendment, it says that one of the things the Committee on Ways and Means might consider is plowback credits for shale oil development.

My position is that we should not send the Committee on Ways and Means that kind of permissive language at this point because we do not know what oil shale it is going to cost per barrel, for it is still in a very experimental form. I think we would want to go on record legislatively as saying that if a plowback is developed, it should be developed on a known process so that the taxpayers would get the most for their money by allowing that deduction.

Mr. BROWN of Ohio. If my colleague will yield further, I understand the November 1974 Project Independence report estimates that, at an $11 price and under an accelerated development, by 1980 shale oil production could account for 100,000 barrels of domestic oil; by 1985 it could amount to 1 million barrels of domestic oil a day; and by 1990 it could be up to 1,600,000 barrels a day.

Mrs. SCHROEDER. As the gentleman knows, those were only projections, and many of the companies that have been involved in development of oil shale are now backing off of many of the projects feeling they are uneconomical.

Mr. BROWN of Ohio. Because of the cost factor?

Mrs. SCHROEDER. Because of the cost factor, and they do not think they could make it, economically, at $11 a barrel.

Mr. BROWN of Ohio. If the gentlewoman will yield further, to deny them benefits under the amendment we will further discourage the production of shale oil; is that correct? I just want to know what the effect is.

Mr. WIRTH. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Colorado.

Mr. WIRTH. I thank the gentlewoman for yielding.

Mr. Chairman, I think the gentleman from Ohio (Mr. BROWN) is correct in his projection that by 1980 it will be approximately 100,000 barrels a day. But that is nearly covered by projects under way in Colorado and Utah in cooperation with the State and Federal Government; they are in need of no broader incentives at this point in trying to reach that goal. We are trying very carefully to work out between the State and Federal Government how we are going to best develop those oil shale reserves. The first step is 100,000 barrels a day, which the two projects would reach by 1980; then after 1985, on the basis if we can now go ahead, if it seems to be appropriate, with the longer term goals the gentleman has cited from the Project Independence report.

The CHAIRMAN. The time of the gentlewoman has expired.

(On request of Mr. BROWN of Ohio, and by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 1 additional minute.)

Mr. WIRTH. If the gentlewoman will yield further, I think that the amendment offered by the gentlewoman would in no way impede the progress we are currently making toward an understanding of how we might take advantage of oil shale, particularly on that 100,000 barrel figure between now and 1980.

Mr. BROWN of Ohio. Mr. Chairman, if the gentlewoman will yield further, do I understand this amendment is designed to discourage the expansion of shale oil production?

Mrs. SCHROEDER. No.

Mr. BROWN of Ohio. I am just trying to find out what the purpose of the amendment is.

Mrs. SCHROEDER. The purpose of the amendment is to say at this time, until we know more about how the experimental processes for development of oil shale are going, we should not direct the Committee on Ways and Means to consider oil shale development costs as a plowback. I think it is not the proper time to make that determination be-

cause we want to make sure the plowback goes into areas we know what the cost per barrel is. We have other direct money and other subsidies from the State and Federal Government pushing ahead the current development of a process.

Mr. BROWN of Ohio. If we deny a plowback credit, will that not, in fact, discourage the plowing back of funds and further investments in the development of shale oil?

The CHAIRMAN. The time of the gentlewoman has again expired.

(On request of Mr. OTTINGER, and by unanimous consent, Mrs. SCHROEDER was allowed to proceed for 2 additional minutes.)

Mrs. SCHROEDER. Mr. Chairman, I would like to answer the gentleman.

No, I do not think it would discourage it by not allowing the plowback. I think the problem with the plowback is that we do not know what the shale oil is going to cost per barrel to get into crude form. Until we have some idea, we may be off on a very expensive folly, and I do not think we should be doing it at the taxpayers' expense.

Mr. ECKHARDT. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, is the effect of the gentlewoman's amendment simply to limit the price of oil produced from oil shale to the effective price to the producer of $7.50, but to provide that between $7.50 and whatever the price may be it be subject 90 percent to the windfall profits tax without the plowback?

In other words, if oil is produced from oil shale, as I understand it, that could go up to the world market price?

Mrs. SCHROEDER. No, I think it only goes to the plowback.

Mr. ECKHARDT. But the producer could not get more than $7.50 under the bill?

Mrs. SCHROEDER. No, I still think my amendment only goes to the plowback credit.

Mr. ECKHARDT. Well, I think the difference, or at least 90 percent of the difference, between $7.50 and the actual price would be retained in the tax, but without the gentlewoman's amendment there would be a 100-percent plowback of that 90 percent difference. But with her provision, the Government would hold the entire amount and recycle it, as the gentleman from Texas (Mr. KRUEGER) said, with respect to the windfall profits tax as it is now stated in the bill?

Mrs. SCHROEDER. Mr. Chairman, my understanding is that it would prohibit allowing the expenses of the oil shale experimentation to be used as a plowback credit so that it would be subsidized by the taxpayers.

Mr. DINGELL. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the gentlewoman has defined her amendment, and she is quite correct.

The amendment, as I read it and as the staff advises me, would eliminate investments in oil shale as a credit which would be qualified for plowback under the Krueger amendment.

Mrs. SCHROEDER. The gentleman is correct. That is so that the taxpayer would not indirectly be subsidizing the oil shale industry.

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

Mr. Chairman, I do not come to the well to speak against the amendment or for it, but to point out that what we are dealing with here is a very intricate and important question of taxation.

The question is whether or not under these particular circumstances it should be the tax policy of the United States to give an advantage to those producing new oil but not to give it to persons producing new oil through oil shale.

If this matter were before the Committee on Ways and Means, these questions might well be taken up. As a matter of fact, it would probably be important to consider which areas of new production need no plowback at all.

Why should we determine here in this matter on the floor of the House which type of new production should be given a favorable or an unfavorable tax treatment without first having that matter considered by the committee that is used to fashioning taxes?

We are dealing now with tax questions, and we must deal with tax questions here if we follow the bent of the Krueger amendment. I compliment the distinguished gentlewoman from Colorado for presenting the amendment, because she has to present it now if this manner of contingent legislation is to be followed. It will either have to be decided here and now or it will not be decided at all.

But I ask the Members of this House: Is this the way to balance the question of tax advantage with respect to various producers of new oil? If there is no other way, I certainly can see why the gentlewoman from Colorado would have to present the amendment here. The same is true of the gentleman from Colorado (Mr. WIRTH) who I assume also supports the proposition.

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

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

Mr. WIRTH. Mr. Chairman, I do support the proposition. I think the point the gentleman is raising is a much broader one.

The point the gentlewoman from Colorado is raising is simply within the narrow confines of conformity with other parts of the legislation relating to energy problems. That conformance embodied in the amendment offered by the gentlewoman is something that I think would be very advantageous to the bill.

Mr. ECKHARDT. Mr. Chairman, I understand the gentleman's position. I think on balance we should vote for the amendment.

The only problem is that this is certainly a very, very awkward and difficult way and an inappropriate place to make intricate determinations with respect to the question of tax policy affecting various producers.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I think one of the distinctions we could make is this: On the question of finding new oil, according to my interpretation of the language, what we were attempting to do with the plowback provision was to make it possible to find new oil.

There has not been any problem with finding oil shale. We know where the oil shale is. The question is, Can we get oil out of the shale? What it really means is a difference in time. It is a different kind of thing.

I think that is a separate issue that is best argued in front of the Committee on Ways and Means, and I would hate to see this Congress go on record as saying that we lumped the two together because I think they are very distinct in that the procedures for getting oil from oil shale are a lot different from finding new oil where we do not know where it is.

Mr. ECKHARDT. I say that the gentlewoman from Colorado (Mrs. SCHROEDER) has convinced me in this short period of time, but I think it is most unfortunate that we must either be convinced for or against by debate of this nature, without having witnesses before us from the oil shale industry, from those who would produce oil by deep drilling, offshore drilling, or whatever other means, that they should be favored or not favored.

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

Mr. ECKHARDT. Yes, I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I would say that I concur in the statement of my colleague, the gentleman from Texas (Mr. ECKHARDT).

I think he has made a very effective point. While it is probably all right to adopt this as an amendment to the Krueger amendment, the fact of the matter is that the Krueger amendment does not adequately deal and cannot deal with the intricate tax questions involved where emphasis should be exercised with respect to plowback. I think it does not make a case for the Krueger amendment. As a matter of fact, it establishes a basis for providing for the defeat of that amendment.

Mr. ECKHARDT. Would the gentleman not desire, if we go into these questions, to have an opportunity to determine whether plowback should go to those who produce oil from other things, such as coal, for instance?

Mr. VANIK. Certainly.

Mr. ECKHARDT. Perhaps they do not deserve a plowback. Perhaps those who produce offshore oil may deserve an 80 percent plowback, whereas those who produce from deep wells may deserve 90 percent. Who knows?

Mr. VANIK. If the gentleman will yield further, the testimony or evidence might show that one area of development might need more plowback in degree than another.

Mr. ECKHARDT. But does not the gentleman agree with me that it is virtually impossible to draw these distinctions by debate on the floor, with no expert witnesses before us? I believe the gentlewoman from Colorado (Mrs.

SCHROEDER) because I think she is a person of great veracity and good judgment, but other credible persons may be mistaken on facts or in judgment, and it is always well to have the advantage of testimony and examination in a committee hearing when such difficult questions as these are to be decided.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ECKHARDT) has again expired.

Mr. BROWN of Ohio. Mr. Chairman, I move to strike the requisite number of words, and I rise very briefly in opposition to the amendment.

I think we ought to be very direct about the thrust of the amendment. I do not think it is so much a tax matter as it is an environmental matter, and the objective of the amendment, it seems to me, can also be directed to the idea of discouraging the development of shale oil. If, in fact, that is the case, we tend to be discouraging the prospect of a rather promising area for the production of domestic oil in this country. I think that would be very unwise, although I do not, in that conclusion, address myself to the environmental question.

If the environmental question remains, then it seems to me that the environmental issue should be addressed in other legislative ways. We ought to do something about the method by which the shale oil is handled, the way the land is restored, and that sort of thing. However, with reference to the question of whether or not we should exclude shale oil development from the plowback provision, it seems to me fairly clear that if we say that nobody gets a plowback if they get into the shale oil business, then we have discouraged the production of oil from shale.

It is relatively simple, I think; and I personally do not think that that is where we ought to be headed, to excluding a source of oil from our potential development in the United States.

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

Mr. BROWN of Ohio. Yes, I yield to the gentleman from Colorado. I know he is interested in this area.

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

The gentleman is perfectly right. There are real environmental concerns here as well as social impact concerns and economic impact concerns.

What we have been trying to do is to work as closely as possible with all the parties involved in the State of Colorado to balance the impact with respect to oil shale on the environmental side, the social side, and the economic side. The problem we are discussing here also existed in the bills of the Committee on Ways and Means and ERDA; this was simply that the pricing issue with regard to oil shale can get way out in front of the other issues that have to be resolved.

What the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER) would do, would be to put the prices back in their proper perspective, one that is necessary, so that we can go about the multiple attack on the issue of shale oil, and all the various impacts that it has. That is the purpose of her amendment.

Her amendment is not designed to say "No oil shale," but to see that there is a balanced analysis and package that has to be very carefully put together in this important area of public policy.

Mr. BROWN of Ohio. I would ask the gentleman this question: Would it not be appropriate to have the oil produced from oil shale subject to the same kind of plowback tax credit that other oil removal would be subject to, and then if we found it was undesirable to produce for some reason that oil that came from shale, to pass a severance test which would then, in effect, economically discourage that? It seems to me that might be done at the State or local levels in such a way that one could take into account the various geological and ecological considerations involved in the issue here.

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

Mr. BROWN of Ohio. I will be glad to yield to the gentleman from Colorado.

Mr. WIRTH. I thank the gentleman for yielding. Mr. Chairman, I think we really cannot compare the normal extraction of oil with oil shale, which I think the gentleman from Ohio may be trying to do. The extraction of oil from oil shale is a very, very different process, and creates rather more different kinds of problems relating to oil, relating to the environment, relating to the social impact such as that of towns springing up in the middle of nowhere. I would hope the gentleman would understand that it is this kind of price stimulation suggested by the gentlewoman from Colorado in the oil shale industry that might allow those kinds of problems to get out of hand. So that is the purpose of the gentlewoman's amendment.

Mr. BROWN of Ohio. I would suggest to the gentleman from Colorado that oil is oil, and ought to be treated in a similar way by the various taxing laws, and that environment is environment, and that they ought to be treated in a different way in different communities. Also, Colorado is Colorado, and Wyoming is Wyoming.

Mr. WIRTH. And Ohio is Ohio.

Mr. BROWN of Ohio. And they may want to write different laws with reference to the extraction of oil in Wyoming and Colorado, or Ohio—would that we had the oil shale in Ohio.

Mr. DINGELL. Mr. Chairman, I ask unanimous consent that all debate on the amendment offered by the gentlewoman from Colorado, (Mrs. SCHROEDER) end in 5 minutes.

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

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER) to the amendment offered by the gentleman from Pennsylvania (Mr. HEINZ) as a substitute for the amendment offered by the gentleman from Texas (Mr. KRUEGER).

The question was taken; and on a division (demanded by Mrs. SCHROEDER) there were—ayes 39, noes 31.

So the amendment to the amendment offered as a substitute for the amendment was agreed to.

AMENDMENT OFFERED BY MRS. SCHROEDER TO THE AMENDMENT OFFERED BY MR. KRUEGER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER to the amendment offered by Mr. KRUEGER: In section 8(d)(2)(E)(ii)(a)(1) of the Emergency Petroleum Allocation Act of 1973 as amended by Mr. KRUEGER'S amendment) strike the words "(including development or production from oil shale," and insert a comma after "gas".

In section 8(d)(2)(E)(ii)(a)(2) of the Emergency Petroleum Allocation Act of 1973 (as amended by Mr. KRUEGER'S amendment) strike the words "oil shale,".

PARLIAMENTARY INQUIRY

Mr. ECKHARDT. Mr. Chairman, I reserve a point of order, and pending that I have a parliamentary inquiry.

The CHAIRMAN. The gentleman from Texas reserves a point of order, and the gentleman will state his parliamentary inquiry.

Mr. ECKHARDT. The parliamentary inquiry is what determines germaneness of this amendment, if it is germane, to the Krueger amendment? It would then be admissible at this time as germane, as I understand it. In other words, the relation to the Krueger amendment would determine germaneness in this instance, I would assume.

The CHAIRMAN. If the gentleman is asking whether the amendment offered by the gentlewoman from Colorado has to be germane, the answer, of course, is "yes". Is the gentleman contending that it is not germane?

Mr. ECKHARDT. No. The gentleman merely asks whether or not on the question of germaneness with respect to this amendment, the question is determined on whether or not this amendment is germane to the Krueger amendment.

The CHAIRMAN (Mr. BOLLING). That is correct.

Mr. ECKHARDT. I thank the Chair.

Mr. Chairman, I withdraw my reservation of a point of order.

The CHAIRMAN. The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, this amendment does exactly the same thing to the Krueger amendment as the prior amendment did to the Heinz amendment, and that is merely make sure that we are not going to mandate our permissiveness to the Ways and Means Committee in allowing writing off oil shale as a plowback at this time and place. I feel almost like a summer rerun standing up and doing the same thing. Both of these amendments are fashioned almost identically and are parallel, so I think the arguments that we heard before would apply again to the Krueger amendment. The thing I am most worried about, again to reiterate, is that we should not say that we think plowback should be allowed for oil shale expenses, because I think what we want to say is that plowback should be allowed for finding new oil.

We know where the oil shale is and the problem with the technology. This is separate and it is different issue from find-

ing new oil. I do not think we want to mandate plowback credits for oil shale development costs until we know a lot more about it.

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

Mr. BROWN of Ohio. Mr. Chairman, we are in the same position with reference to the Krueger amendment and the amendment offered by the gentlewoman from Colorado as we were on the Heinz amendment. The impact would be essentially the same in that we would be making the extraction of oil from shale not subject to a plowback provision and, therefore, discouraging it. The objective is as much environmental as it is economic.

My contention, of course, again, is that we could handle the environmental matter at the State level, and I would oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER) to the amendment offered by the gentleman from Texas (Mr. KRUEGER).

The question was taken; and on a division (demanded by Mr. BROWN of Ohio) there were—ayes 39, noes 31.

So the amendment to the amendment was agreed to.

POINT OF ORDER

Mr. ECKHARDT. Mr. Chairman, I reserve a point of order against the Krueger amendment.

The CHAIRMAN. The Chair will have to state he believes the point of order comes too late.

Mr. ECKHARDT. Mr. Chairman, I am not making one at this time if I need not make one, but I would certainly make one at such time as the Krueger amendment would be voted on.

The CHAIRMAN. Will the gentleman restate what he is doing? Is he making a point of order against the Krueger amendment?

Mr. ECKHARDT. I am making a point of order against the Krueger amendment.

The CHAIRMAN. That comes too late.

Mr. ECKHARDT. If the Chairman would hear me on the point of order I will be glad to explain.

Mr. DINGELL. Mr. Chairman, I make a point of order against the point of order. It comes too late.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Texas on the timeliness of his point of order.

Mr. ECKHARDT. Mr. Chairman, if the Chair would permit me, I should make a point of order now if I must do so or I will at such time as the votes arises on the Krueger amendment on the ground that the Kruger amendment is now outside the rule.

If the Chair will recall, I queried of the Chair whether or not the question of germaneness on the amendment offered by the gentlewoman from Colorado was based upon its germaneness to the Krueger amendment or if that were the standard. The Chair answered me that it was. Therefore, the amendment offered by the gentlewoman from Colorado was not subject to a point of order at that time and I point out to the Chair that the question of germaneness rests upon whether or not the amendment is germane to the amendment to which it is applied.

At that time it was not in order for me to urge that the amendment offered by the gentlewoman from Colorado was not germane because it was indeed germane to the Krueger amendment, but the rule protects the Krueger amendment itself from a point of order on the grounds of germaneness and specifically says that it shall be in order to consider without the intervention of any point of order the text of an amendment which is identical to the text of section 301 of H.R. 7014 as introduced and which was placed in the CONGRESSIONAL RECORD on Monday and it is described.

The Krueger amendment upon the adoption of the Schroeder amendment becomes other than the identical amendment which was covered by the rule. At this point the question of germaneness of the Krueger amendment rests on the question of whether or not it is at the present time germane to the main body before the House.

It is not germane to the main body before the House because of the—and I cite in this connection Deschler on 28, section 24 in which there are several precedents given to the effect that an amendment which purports to create a condition contingent upon an event happening, as for instance the passage of a law, is not in order. For instance 24.6 on page 396 says:

> To a bill authorizing funds for construction of atomic energy facilities in various parts of the Nation, an amendment making the initiation of any such project contingent upon the enactment of federal or state fair housing measures was ruled out as not germane.

There are a number of other authorities in that connection, that is, an amendment postponing the effectiveness of legislation pending contingency.

Now, with respect to the question of timeliness, the gentleman from Texas could not have raised the point of order against the Schroeder amendment because of the fact that the Schroeder amendment was, in fact, germane to the Krueger amendment. It is clearly stated that the test of germaneness must rest on the question of the body upon which the amendment acts, and as I queried the Chair at the time, I asked that specific question, would the germaneness of the Schroeder amendment rest upon the question whether it is germane to the Krueger amendment.

The Chair answered, I think correctly, that it was germane. I could not quarrel with that ruling and I could not at that point raise a question whether it was effective to the main body involved here; but at this time is the very first time I have had an opportunity and I raise the point of order that the Krueger amendment as now constituted is not protected by the rule.

The CHAIRMAN. Does any other Member desire to be heard on the point of order?

Mr. BROWN of Ohio. Mr. Chairman, I only state that it seems to me that the rule makes the Krueger amendment in order by its text, but it does not prohibit it being amended by subsequent action of this body and that if the text had been changed by the gentleman from Texas (Mr. KRUEGER) in its introduction, the point of order might have been appropriate; but the point of order that is attempted to prohibit this body from amending the text of the Krueger amendment after it has been properly introduced and been made germane by the rule would prohibit those others in the majority of this body from acting on any perfection of the Krueger amendment. I do not think that is the purpose of the rule.

The CHAIRMAN. The Chair is ready to rule, unless another Member desires to be heard.

Mr. DINGELL. Mr. Chairman, I am troubled by this point of order. I think, first of all, it comes too late. I think the amendment, Mr. Chairman, comes, first of all, too late.

Second, it would make a nullity of the actions of the Committee on Rules, which very specifically made in order the Krueger amendment.

As a matter of fact, it was at the request of this particular Member and the gentleman from Texas that that was done and also it was at the request of this particular Member of this body that the Committee on Rules made appropriate amendments to the Krueger amendment. If the point of order of the gentleman from Texas would prevail, the gentleman would be able to ex post facto undo the work of the Committee on Rules and convert a prior amendment, which may or may not have been germane, into such a vehicle that it would strike at the actions of the Committee on Rules.

The time to raise this point of order was at the time of offering the amendment by the gentlewoman from Colorado.

The CHAIRMAN. The Chair is ready to rule, but the Chair would be glad to hear from additional Members.

Mr. ECKHARDT. Mr. Chairman, I wish to be heard only because of the statement of the gentleman from Michigan, who is a very correct man with respect to points of order, but the gentleman is now not quite correct.

The gentleman from Michigan did, in truth, ask that the rule include the specific provision protecting the Krueger amendment, if amended; but the Committee on Rules did not include the gentleman's request, but rather very sharply and definitely prescribed that the matter that would be relevant and nothing else was the body of that amendment as printed in the RECORD.

The CHAIRMAN (Mr. BOLLING). The Chair is ready to rule.

The rule under which the matter is being considered did in fact make in order the so-called Krueger amendment, and any amendment to that amendment which is germane to that amendment was thus, at the same time, made in order. There was no need for special provision to make amendments germane to the Krueger amendment in order, and the argument made by the gentleman from Ohio (Mr. BROWN) is very much to the point.

The Chair, therefore overrules the point of order.

Mr. WRIGHT. Mr. Chairman, I rise

in support of the basic concept of the Krueger amendment. It seems to me that if we are to fashion an intelligent energy policy, the sensible thrust clearly must be to relieve this country from its vulnerability to the whims of foreign governments. The Krueger amendment moves in that direction.

On a vote earlier taken today, I joined with the majority of my colleagues in rejecting the specific provisions given to us by the President, primarily because I feel that Congress deserves to have a creative role in the fashioning of national energy policy.

But, I was very much impressed by the remarks that were made by the distinguished minority leader of the House, the gentleman from Arizona (Mr. RHODES) when he pointed out that dogmatically holding to what each of us most desired was prolonging a stalemate and delaying any resolution of this critical energy problem for the Nation.

The President and the Congress at this juncture seem to be in the position of two strong defensive football teams meeting in a big game on New Year's Day. Each can keep the other from scoring. We in Congress have been able to prevent the President's plans from going into effect. The President, by the expedient of vetos, can prevent our plans from going into effect. The public, I think, is not impressed by this continual confrontation. The people are not interested in who loses face. They want solutions.

Mr. Chairman, I think there is a need for some give on both sides. The Krueger amendment offers what I regard as the only reasonable hope at this juncture to find some intelligent means to increase domestic production of oil and gas without immediately and adversely and severely impacting the domestic economy.

For those reasons, Mr. Chairman, I earnestly hope that any of my colleagues who are wavering or wondering whether there is any way to resolve this impasse, will look very carefully at the Krueger amendment, and that they will sympathetically consider the opportunity which this amendment offers for the Congress and the President to break the deadlock and find some common ground upon which the public interest can be served.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

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

Mr. MURPHY of New York. Mr. Chairman, the gentleman from Texas has put his finger on exactly what we are doing here today that will be responsible energy legislation. This committee worked long and hard, struggling to write an energy policy for oil, and this bill is the vehicle to do it, but it will die a certain death, as we so well know, unless it contains the Krueger amendment and the Krueger language.

The gentleman from Texas has put his finger directly on it. The President will veto a bill without the Krueger language. The Krueger language merely decontrols over a long period of time old oil. It puts the traditional oil companies back in the oil exploration business. It corrects what the House incorrectly did when it took away the depletion allowance. It plows back these profits in the exploration for more oil and, incidentally gas, which is a great byproduct in the exploration of oil.

Without the Krueger amendment, as the gentleman so well points out, this bill will perhaps have a short life through the House, but it will die downtown. I shall support the Krueger amendment as I did in the subcommittee when it passed by an 8-to-7 vote. I supported it again in the full committee when it passed once again by a 22-to-1 vote.

We can bring it out on the floor, and we can have a rational bill, an oil policy bill, which will help solve the problems of oil in America.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman.

Mr. ANDERSON of Illinois. I thank the gentleman for yielding. Mr. Chairman, I want to associate myself with the remarks of the gentleman in the well and congratulate him on what I think is a very statesmanlike position he has taken this afternoon. No one has spoken more eloquently than the gentleman from Texas in describing the current impasse between the President and the Congress. The people of the United States are waiting and they are watching, and they are not impressed by what they see.

Mr. Chairman, I think the gentleman will agree with me that the Krueger amendment does not give the big oil companies, who are certainly the big issue of everyone in this Chamber, I suppose, what they want. Actually, as I understand the Krueger amendment, with respect to old oil, it treats the producers of that particular commodity somewhat more severely than the amendment offered by the gentleman from Texas (Mr. ECKHARDT).

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. ANDERSON of Illinois, and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. WRIGHT. I yield to the gentleman.

Mr. ANDERSON of Illinois. What the amendment does do, in eliminating the ceiling prices of $7.50 or $8.50 for new oil, it does offer the hope that we will give the producers of this country and the independent producers who are the people who go out, for the most part, and find this new oil, the kind of incentives to go out and drill and explore in order to lessen our dependence on the OPEC countries.

Mr. Chairman, I commend the gentleman again on what he just said, and I would hope, somehow, the spirit of compromise would sweep over this Chamber this afternoon, and even at this late hour we can in this amendment find that common ground on which we can stand together.

If I had my way, I think there are certainly some changes I would make in what the gentleman from Texas (Mr. KRUEGER) has offered, but, again, realizing, as does the gentleman in the well, we all have to give a little and move a little bit from the positions we have previously taken and get together and show the people of this country that we are capable of reaching a decision and legislating in a rational manner, I would join the gentleman from Texas (Mr. WRIGHT) in pleading with this House in accepting the Krueger amendment.

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

Mr. WRIGHT. I yield to the gentleman.

Mr. OTTINGER. I thank the gentleman for yielding. I would be favorably disposed to a compromise, and I think we ought to get off of the impasse we are in. But I fail to see how the Krueger amendment is any compromise at all. It decontrols the price of oil up to the world market price, and it counts on the windfall profits tax to see to it that the oil companies do not make too much of a killing on that and distributes it back to the people so that the economy does not get hurt too badly, because there is a 100-percent plowback that takes away all of that distribution effort.

Mr. WRIGHT. The plowback is an essential ingredient, it seems to me, if we are to find more oil.

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

(On the request of Mr. OTTINGER and by unanimous consent, Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. In response to the gentleman's comment, I would simply say that the only way, in the short run—until we are able to bring on the actual development of the more esoteric forms of energy—that we can ever hope to reduce our reliance on foreign producers is to produce more petroleum domestically, and the only way we will ever produce more domestically is to encourage people to look for more domestically.

I know there are many who feel they want to crucify the big oil companies. This is a convenient scapegoat. I have never been an apologist for the big oil companies, but let me just point this out: The committee bill, as presently drafted, increases the price of old oil which has already been found, 80 percent of which is owned by the big international oil companies, and decreases the price of new oil, which the independents have to go out and look for and find.

And if you think by supporting the committee proposal that you are slaying a dragon in the dark of night, I earnestly hope you do not wake up the next morning and find out that you killed the family cow. The committee bill would perpetuate price controls at a fixed figure indefinitely and would expand them to include all domestic oil, including that which has not yet been found and for which the price of production is, therefore, unknown.

The committee bill would let us continue paying foreign powers $13 a barrel for oil, some of which costs less than $1 a barrel to produce, but it would hold the price of domestic oil down to $7.50 and $8.50 a barrel, even if it costs $10 a barrel or more to find and produce it. This simply defies logic.

The committee bill surely would not encourage new domestic exploration,

which is the only means by which we can hope in the near future to reduce our reliance upon imports. It would raise the price of old oil—that which has already been discovered—and reduce the price of new oil—that which remains to be discovered. Clearly this is not the way to encourage the discovery of new oil.

The committee bill would benefit the major oil companies which deal in foreign production and own about 80 percent of all the old oil, at the expense of the small, independent companies which historically have taken the risks and have always accounted for the finding of at least 75 percent of the new oil in this country.

Proponents of the committee bill have made much of the fact that it is endorsed by the Ashland Oil Co. This preference is not hard to understand when one contemplates the report that only about seven percent of Ashland's production is domestic and about 93 percent of it is foreign. Is this the kind of thing we want to encourage? Surely not.

The Krueger amendment wisely would reverse this emphasis. I would very gradually decontrol the price of old oil, over an 8-year period. But it would make special provisions to allow a higher price for that hard-to-get oil in existing fields which can be recovered only through more expensive secondary and tertiary recovery methods. That oil simply is not being produced today because it is uneconomical to bring it to the surface at the present controlled price.

Geologists estimate that there may be between 40 and 60 billion barrels of such oil in this country. If we allow those fields merely to be "creamed off" and the pipe removed, much of that oil could be lost to the American public forever.

The second advantage of the Krueger amendment is that it would allow new oil to be sold for the market price, thus encouraging new domestic exploration and discovery. But it would contemplate an excess profits tax on any company which did not plow its profits back into the search for new domestic reserves.

Obviously, the only way to reduce our dependence upon foreign petroleum—until we can bring about the actual conversion of other forms of energy—is to find more oil in the United States. And the only way to find it is to encourage people to look for it. The committee bill does not do this. The Krueger approach does.

The really crucial difference between the two versions was spelled out in an appraisal by the Federal Energy Administration of the probable effects of the two upon domestic production. Presently we are importing about 38 percent of our petroleum needs and supplying about 62 percent from domestic sources. The FEA estimates that the Krueger approach by 1980 would raise the domestic share to about 66 percent of the total market; and that the committee approach would reduce the domestic share to about 54 percent.

Or, put it another way: The Krueger plan in 5 years would reduce our dependence on foreign sources from the present 38 percent down to about 33 percent. The committee bill would raise our dependence upon foreign sources to about 46 percent.

The committee bill would not do anything to relieve the shortage. It would merely share the shortage. In fact, it would perpetuate and intensify the shortage.

The central, basic thrust of any intelligent long term energy program must be to move in the direction of greater U.S. self-sufficiency. The Krueger amendment does this. The committee bill does not.

One additional distinction needs to be drawn. The committee bill, if enacted in its present form, would surely be vetoed. To adopt it in light of that certain knowledge would merely prolong the unproductive confrontation between the Congress and the President and further delay the long-overdue start on a solution. We do not need more confrontations. We do not need continued stalemate. We need solutions. The Krueger amendment would be an important beginning.

Unless we provide some incentives to exploration we are not going to have any more new oil after awhile.

Some of the gentlemen on the committee side have repeatedly made the statement that $7.50 is all that is needed to find all the oil we want. If that were true, I would be for the committee bill.

Questioning whether it were true, I sent telegrams to a number of people whom I know to be engaged in the search for oil, and I asked that question: If $7.50 would be sufficient to encourage production and discovery and the borrowing of money necessary to go out and find more oil.

Most of them who have replied said, no, that in many conditions, in many prospective fields, and in certain strata which are expected to produce perhaps 25 barrels per day if oil is found, $7.50 would not be an adequate inducement for anybody to lend the money in the first place and for independent explorers to risk the money in the second place.

Mr. OTTINGER. Mr. Chairman, if the gentleman will yield further, I just do not see where the compromise is. It seems to me that under the gentleman's point of view they get a hundred percent. There is no give-and-take, except that the consumers are going to be asked to give and the oil industry will continue to take.

Mr. WRIGHT. Mr. Chairman, I will say to the gentleman that the compromise lies in a more gradual decontrol of old oil, as provided in the Krueger amendment, than the President requests, in an excess profits tax that does not presently exist on the creation of new oil, and in the encouragement to find more oil. And that, it seems to me, is the kind of compromise which will benefit the Nation and the american people in the long run.

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

Mr. Chairman, I am greatly impressed by the very genuine request for compromise here today. I think it is noble that the Members approach their duties with such a deep sense of responsibility, particularly when they are looking to John Q. Citizen out there to pay the cost of their compromise.

The cost of the compromise is the cost of the difference between Krueger and Eckhardt. I refer to the Eckhardt provisions which are included in the bill before this committee.

I think it is so generous of the Members who talk of this compromise to commit their constituents' dollars with such a deep sense of generosity—amazing generosity. This means about $18 billion more in 1976, about $20 billion more in 1977, and about $22.7 billion more in 1978.

Mr. Chairman, let me tell the Members that my people do not want to pay that price for a compromise when there is nothing on the record to indicate that it is necessary.

I have heard about as much testimony as most of the Members have here, other than those who have been serving directly on the Subcommittee on Energy and Power, and I have not seen the evidence that these dollars are going to produce the additional oil.

As a matter of fact, the spokesman for Ashland said that $7.50 was quite adequate to encourage the development of oil in this country.

I recall in December of 1973 we were told that $4.25 was all that was necessary. Now we are talking about taking the price of oil up really to the point where we will be encouraging the OPEC nations to increase their price.

Let us not delude ourselves in thinking that these international oil companies, primarily the seven major internationals, are going to suddenly stop importing into the United States. They have too many billions of dollars invested overseas, and they are going to continue to produce overseas and keep whatever they have here as long as they can, available until some later time.

The story of oil is not a simple one, and every Member here knows it. It is one where it is easy to delude and it is easy to fool. However, there has not been one honest-to-God showing of need or an honest-to-God showing that what is being proposed here in the Krueger amendment would result in the increase in production, any more than will be encouraged through the enactment of the Eckhardt amendment.

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

Mr. MOSS. Yes, I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I want to commend the gentleman from California (Mr. Moss) for his cogent arguments. He is right on target and absolutely right.

The gentleman from Illinois says that the people are watching us and they are tired that we cannot come to a compromise.

The Krueger amendment is another ripoff for the oil companies of this country.

A couple of years ago the major oil companies were only getting $2.25 a barrel for oil. Now they are getting $12 for "new" oil.

How much more money do they want for exploration?

Mr. MOSS. I say to the gentleman that

whether we give them $13.50 or not, we will encourage them to hold more off until they can get $15.50. They have an insatiable appetite.

If we are willing to commit the dollars of the consumers of this Nation to this most massive redistribution of wealth ever undertaken anywhere at any time, then we are, indeed, damn fools and unworthy of the trust that has been given us by the people we represent.

Mr. DEL CLAWSON. Mr. Chairman, will the gentleman yield?

Mr. MOSS. Yes, I yield to the gentleman from California.

Mr. DEL CLAWSON. The gentleman mentioned the Ashland Oil Co. Is the gentleman familiar with the amount of domestic production of the Ashland Oil Co.?

Mr. MOSS. I do not think it is significant. I do not think it is relevant, and for that reason, I do not yield further.

Mr. DEL CLAWSON. I think it is significant.

Mr. MOSS. I do not yield further, I say to the gentleman.

Mr. DEL CLAWSON. It is only 7 percent.

Mr. MOSS. I do not yield further.

The CHAIRMAN. The time of the gentleman from California (Mr. Moss) has expired.

(On request of Mr. SEIBERLING and by unanimous consent, Mr. Moss was allowed to proceed for 1 additional minute.)

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

Mr. MOSS. Yes, I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I think it is again unfortunate that today, as on Friday, we have heard threats of a veto if we do not accept the Krueger amendment. However, I would like to say that there is one advantage with respect to these threats: If there is a veto and this House is thereby prevented from enacting legislation that will spare the American people the cost of unjust enrichment of the oil barons, it will be crystal clear where the responsibility lies.

Mr. MOSS. The gentleman is precisely right.

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

Mr. MOSS. Yes; I yield to the gentleman from Texas.

Mr. KAZEN. As a matter of information, the gentleman said that these oil companies—and this is troubling me—will not stop the importation of oil, that they will continue to import oil. Where in the bill as it is written now is that provision which says that the U.S. Government shall be the sole importer of oil? How will that work?

Mr. MOSS. I do not see the U.S. Government as being the sole importer under the Krueger amendment.

Mr. KAZEN. Not only the Krueger amendment; I mean under the bill.

Mr. MOSS. I am addressing myself to the Krueger amendment.

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

Mr. MOSS. Yes; I yield to the gentleman from Texas.

Mr. ECKHARDT. That is not what the bill says. The bill does not disturb present importers unless the President finds that it is necessary in order to make the policies work.

Mr. MOSS. The gentleman from Texas (Mr. ECKHARDT) is correct, but my point to the gentleman from Texas (Mr. KAZEN) was that that was not the Krueger amendment, and therefore, his question was not at all germane to the subject matter under discussion.

The CHAIRMAN. The question is on the amendment, as amended, offered as a substitute by the gentleman from Pennsylvania (Mr. HEINZ) for the amendment offered by the gentleman from Texas (Mr. KRUEGER).

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

RECORDED VOTE

Mr. HEINZ. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 94; noes 326, not voting 14, as follows:

[Roll No. 418]

AYES—94

Alexander	Goodling	Patterson, Calif.
Anderson, Calif.	Grassley	Pattison, N.Y.
Anderson, Ill.	Gude	Peyser
Aspin	Hamilton	Pressler
AuCoin	Hannaford	Pritchard
Bergland	Hastings	Rees
Biester	Hayes, Ind.	Regula
Bonker	Hays, Ohio	Reuss
Brinkley	Hechler, W. Va.	Riegle
Broomfield	Heinz	Roncalio
Burke, Calif.	Henderson	Ruppe
Clancy	Hillis	Sarasin
Conyers	Holland	Schroeder
Coughlin	Holtzman	Schulze
Davis	Jenrette	Sebelius
Dent	Jones, N.C.	Sharp
Derrick	Jordan	Simon
Dingell	Latta	Skubitz
Dodd	Lent	Snyder
Duncan, Tenn.	Levitas	Spence
Early	McCloskey	Stanton, J. William
Eshleman	McDade	Symington
Evans, Colo.	McKinney	Taylor, N.C.
Fenwick	Madigan	Vigorito
Fisher	Mink	Walsh
Ford, Mich.	Mitchell, N.Y.	Wirth
Forsythe	Moorhead, Pa.	Wydler
Fountain	Mosher	Young, Fla.
Fraser	Murtha	Young, Ga.
Frey	Myers, Ind.	
Giaimo	Neal	
Gilman	Obey	
	O'Brien	

NOES—326

Abdnor	Breaux	Conte
Abzug	Breckinridge	Corman
Adams	Brodhead	Cornell
Addabbo	Brooks	Cotter
Ambro	Brown, Calif.	Crane
Andrews, N.C.	Brown, Mich.	D'Amours
Andrews, N. Dak.	Brown, Ohio	Daniel, Dan
Archer	Broyhill	Daniel, R. W.
Armstrong	Buchanan	Daniels, N.J.
Ashbrook	Burgener	Danielson
Ashley	Burke, Fla.	de la Garza
Badillo	Burke, Mass.	Delaney
Bafalis	Burleson, Tex.	Dellums
Baldus	Burlison, Mo.	Derwinski
Barrett	Burton, John	Devine
Baucus	Burton, Phillip	Dickinson
Bauman	Butler	Diggs
Beard, R.I.	Byron	Downey, N.Y.
Beard, Tenn.	Carney	Downing, Va.
Bedell	Carr	Drinan
Bell	Carter	Duncan, Oreg.
Bennett	Casey	du Pont
Bevill	Cederberg	Eckhardt
Biaggi	Chappell	Edgar
Bingham	Chisholm	Edwards, Ala.
Blanchard	Clawson, Del	Edwards, Calif.
Blouin	Clay	Eilberg
Boggs	Cleveland	Emery
Boland	Cochran	English
Bolling	Cohen	Erlenborn
Bowen	Collins, Ill.	Esch
Brademas	Collins, Tex.	Evans, Ind.
	Conable	Fary
	Fascell	Long, Md.
	Findley	Lott
	Fish	Lujan
	Fithian	McClory
	Flood	McCollister
	Florio	McCormack
	Flowers	McDonald
	Flynt	McEwen
	Foley	McFall
	Ford, Tenn.	McHugh
	Frenzel	McKay
	Fulton	Macdonald
	Fuqua	Madden
	Gaydos	Maguire
	Gibbons	Mahon
	Ginn	Martin
	Goldwater	Mathis
	Gonzalez	Mazzoli
	Gradison	Meeds
	Green	Melcher
	Guyer	Metcalfe
	Hagedorn	Meyner
	Haley	Mezvinsky
	Hall	Michel
	Hammer-schmidt	Mikva
	Hanley	Milford
	Hansen	Miller, Calif.
	Harkin	Miller, Ohio
	Harrington	Mills
	Harris	Mineta
	Harsha	Minish
	Hawkins	Mitchell, Md.
	Hébert	Moakley
	Heckler, Mass.	Moffett
	Hefner	Mollohan
	Helstoski	Moore
	Hicks	Moorhead, Calif.
	Hightower	Morgan
	Holt	Moss
	Horton	Mottl
	Howard	Murphy, Ill.
	Howe	Murphy, N.Y.
	Hubbard	Myers, Pa.
	Hughes	Natcher
	Hungate	Nedzi
	Hutchinson	Nichols
	Hyde	Nix
	Jacobs	Nolan
	Jarman	Nowak
	Jeffords	Oberstar
	Johnson, Calif.	O'Neill
	Johnson, Colo.	Ottinger
	Johnson, Pa.	Passman
	Jones, Okla.	Patman, Tex.
	Jones, Tenn.	Patten, N.J.
	Karth	Pepper
	Kasten	Perkins
	Kastenmeier	Pettis
	Kazen	Pickle
	Kelly	Pike
	Kemp	Poage
	Ketchum	Preyer
	Keys	Price
	Kindness	Quie
	Koch	Quillen
	Krebs	Railsback
	Krueger	Randall
	LaFalce	Rangel
	Lagomarsino	Richmond
	Landrum	Rinaldo
	Leggett	Risenhoover
	Lehman	Roberts
	Litton	Robinson
	Lloyd, Calif.	Rodino
	Lloyd, Tenn.	Roe
	Long, La.	Rogers
		Rooney
		Rose
		Rosenthal
		Rostenkowski
		Roush
		Rousselot
		Roybal
		Runnels
		Russo
		Ryan
		St Germain
		Santini
		Sarbanes
		Satterfield
		Scheuer
		Schneebeli
		Seiberling
		Shipley
		Shriver
		Shuster
		Sikes
		Sisk
		Slack
		Smith, Iowa
		Smith, Nebr.
		Solarz
		Spellman
		Staggers
		Stanton, James V.
		Stark
		Steed
		Steelman
		Steiger, Ariz.
		Stephens
		Stokes
		Stratton
		Stuckey
		Studds
		Sullivan
		Talcott
		Taylor, Mo.
		Teague
		Thompson
		Thone
		Thornton
		Traxler
		Treen
		Tsongas
		Udall
		Ullman
		Van Deerlin
		Vander Jagt
		Vander Veen
		Vanik
		Waggonner
		Wampler
		Waxman
		Weaver
		Whalen
		White
		Whitehurst
		Whitten
		Wiggins
		Wilson, Bob
		Wilson, C. H.
		Wilson, Tex.
		Winn
		Wolff
		Wright
		Wylie
		Yates
		Yatron
		Young, Alaska
		Young, Tex.
		Zablocki
		Zeferetti

NOT VOTING—14

Annunzio	Hinshaw	Montgomery
Clausen, Don H.	Ichord	O'Hara
Conlan	Jones, Ala.	Rhodes
Evins, Tenn.	Mann	Steiger, Wis.
	Matsunaga	Symms

So the substitute amendment as amended for the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. KRUEGER TO THE AMENDMENT OFFERED BY MR. KRUEGER

Mr. KRUEGER. Mr. Chairman, I offer an amendment and ask unanimous consent that I be allowed to amend the amendment which I earlier offered.

Mr. OTTINGER. Mr. Chairman, I reserve a point of order.

Mr. ECKHARDT. Mr. Chairman, I also reserve a point of order.

The Clerk read as follows:

Amendment offered by Mr. KRUEGER to the amendment offered by Mr. KRUEGER: Strike subsection (d) of the new Section 8 added to the Emergency Petroleum Allocation Act of 1973 and insert in lieu thereof a new Subsection (d) as follows: "The provisions of (b) and (c) shall not take effect unless the Congress finds and so declares by concurrent resolution that there is in effect a tax which couples a redistribution of tax receipts mechanism to substantially mitigate the effect of increased energy costs on consumers with an excise tax or other tax applicable to sales of crude oil from a property: *Provided*, That such tax shall provide an incentive for the production of new domestic crude oil."

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

Mr. ECKHARDT. Mr. Chairman, I reserve the right to object.

Mr. OTTINGER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. WRIGHT TO THE AMENDMENT OFFERED BY MR. KRUEGER

Mr. WRIGHT. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Texas (Mr. KRUEGER).

The Clerk read as follows:

Amendment offered by Mr. WRIGHT to the amendment offered by Mr. KRUEGER: Strike Subsection (d) of the new Section 8 added to the Emergency Petroleum Act of 1973 and insert in lieu thereof a new Subsection (d) as follows: "The provisions of (b) and (c) shall not take effect unless the Congress finds and so declares by concurrent resolution that there is in effect a tax which couples a redistribution of tax receipts mechanism to substantially mitigate the effect of increased energy costs on consumers with an excise tax or other tax applicable to sales of crude oil from a property: *Provided*, that such tax shall provide an incentive for the production of new domestic crude oil."

Mr. ECKHARDT. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Texas (Mr. ECKHARDT) reserves a point of order.

Mr. DINGELL. Mr. Chairman, I reserve a point of order. As I understand the rules, copies of the amendment are to be provided to the minority cloakroom and the majority cloakroom and be made available to the committee. None have been made available.

The CHAIRMAN. That fact does not prevent consideration of the matter by the committee. The Chair suggests that copies be made available to the desk.

Mr. ECKHARDT. Mr. Chairman, on my reservation of the point of order, may I question the gentleman from Texas (Mr. WRIGHT)?

The CHAIRMAN. Does the gentleman from Texas (Mr. ECKHARDT) desire to reserve his point of order or let the gentleman from Texas (Mr. WRIGHT) proceed?

Mr. ECKHARDT. Mr. Chairman, I desire to let the gentleman proceed.

Mr. VANIK. Mr. Chairman, I reserve a point of order to protect the committee in the event that the other reservations are withdrawn. I do not know what this is all about.

The CHAIRMAN. All points of order have been reserved.

The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, the purpose of this amendment is to preserve the integrity of the House Committee on Ways and Means and to give the House the full opportunity to debate, deliberate, and adopt the precise details of the excess profits tax provision embodied in the amendment as originally offered by my colleague from Texas (Mr. KRUEGER).

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

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

Mr KRUEGER. Mr. Chairman, when I presented my amendment several days ago, there was an objection by the chairman of the Ways and Means Committee and by another member of the Ways and Means Committee that the provisions for a tax being placed before the phased decontrol could occur were so specific as to leave insufficient margin to the Ways and Means Committee to carry out its own designated function under its regular committee jurisdiction.

Consequently, I have consulted with members of that committee, and with them have worked out language that would be broad enough to satisfy their concerns that they would have ample opportunity to write the appropriate sort of tax which would have to be in place before this phased decontrol could occur. I might repeat that in spite of what other Members have tried to suggest to this body, that the phased decontrol can occur, as the language is written, only if there is a tax in place.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Chairman, did the gentleman say that he had worked out an agreement with the members of the Ways and Means Committee?

Mr. KRUEGER. No, I said that I had consulted with some members of the Ways and Means Committee in drawing this up.

Mr. BURKE of Massachusetts. There are 37 members of the Ways and Means Committee, and speaking for this member, I just wish to point out that the gentleman has not consulted with this member of the Ways and Means Committee.

Mr. WRIGHT. Mr. Chairman, I yield to the chairman of the Ways and Means Committee, the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, let me say that the gentleman from Texas did come to me to try to work out some language that would protect the integrity of the Ways and Means Committee. The other day, when the issue came up, I raised a strong objection.

Mr. Chairman, I feel prescriptive taxation is the wrong policy and that the Committee on Ways and Means must use its staff and expertise in order to develop the kind of a windfall profits tax that is both sound and correct for the economy and for the problem.

The gentleman from Texas brought some language, which was modified somewhat. They felt that there ought to be a provision in there that would provide for some redistribution of tax back to the consumers.

Personally, I feel very strongly that that should be the case, too, if we have a windfall profits tax; that in order to compensate the consumers for the extra cost of energy there should be some provision for feeding that tax back to the consumers. Even though the language is somewhat cumbersome because of different provisions that went into it, it does satisfy me. I think it does protect the integrity of the Committee on Ways and Means, and I certainly support the amendment.

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

Mr. WRIGHT. I yield to the gentleman.

Mr. ECKHARDT. I thank the gentleman for yielding.

Mr. Chairman, I am trying to understand exactly what this amendment does. As I understand, the original language of the Krueger amendment set out a very specific procedure by which, No. 1, there was a certain level at which a windfall profits tax kicked in, a specific percentage of windfall profits tax—I think it was 90 percent—and a specific provision for plowback, which was 100 percent with respect to new oil and was zero percent with respect to old oil.

Mr. Chairman, do I understand that if the amendment is adopted, none of those limitations or requirements will be in effect; that the only limitation is that there shall be an excise tax or other tax applicable to sales of crude oil from a property, provided that such tax shall provide an incentive for the production of new domestic crude oil? Do I understand these last qualifications are substituted for the specific qualifications and nothing more?

Mr. WRIGHT. No. In addition to that, there is the additional qualification, I would say to the gentleman, that there be a redistribution of tax receipts to substantially mitigate the effect of increased energy cost on consumers.

Mr. ECKHARDT. Yes. That is the written-in language. So it would read that the only qualification respecting this is that it be a mechanism to substantially mitigate the effect of the increased energy costs of the consumers with an excise tax or other tax applicable to the sale of crude oil from a property, provided that such tax shall provide an incentive for the production of new domestic crude oil.

That is the sole qualification of the Krueger amendment, and that that qualification is found to exist by a concurrent resolution.

Mr. WRIGHT. The gentleman is correct. And that preserves to the House as a whole and to the other body the opportunity to make the final judgment.

POINT OF ORDER

Mr. ECKHARDT. Mr. Chairman, I press my point of order at this time.

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

Mr. ECKHARDT. Mr. Chairman, my

point of order is that, No. 1, this amendment is not germane to the Krueger amendment; and No. 2, that this amendment, if added to the Krueger amendment, creates an extensively and fundamentally different principle not covered by the exception to the rules.

Mr. Chairman, I cite primarily from page 415 of Deschler's Procedure, section 36.9, which reads:

> The fact that a resolution providing for the consideration of a bill specifically waives points of order against a particular amendment is not determinative of the issue of the germaneness of other, similar amendments.

There is reference to 106 CONGRESSIONAL RECORD 5655, 86th Congress, 2d session, March 14, 1960.

I should like to point out to the Chair how widely divergent this amendment is from the original Krueger amendment. The original Krueger amendment had some appeal to the committee because it did a very specific thing: It said that in providing that there is what the gentleman from Texas (Mr. KRUEGER) always called a specific recycling process with respect to the taxes collected under the windfall profits tax, that specific recycling process constituted the sending of the application, as I recall, of half the receipts to low- and middle-income brackets and the rest to a division of cities and others, the exact details of which I do not recall.

Then if this contingency occurred and it was a contingency based on a clearly and specifically defined action to become law, then and then only would the windfall profits tax provisions be in effect. Otherwise the bill would fall back to essentially the provisions of an extension of the existing Allocation Act.

Mr. Chairman, actually this point was sufficiently appealing—and I know that a history of the matter is not really relevant to the process, but it indicates a vast difference between that amendment and the one that is now offered—to some Members on grounds that we would not buy a pig in a poke in that committee; we would know precisely what would happen with respect to price; and that we would know precisely what would happen if a windfall profits tax went into effect with respect to the method of distributing that windfall profits tax.

In so knowing, the committee was able to protect its own jurisdiction. It can say: We will not buy this proposition as a price-control mechanism unless these provisions are carried into effect.

The effect of this amendment is something extremely different, and it is something that I feel sure we members of the Committee on Interstate and Foreign Commerce would have appeared before the Committee on Rules and strenuously objected to, because the amendment would simply say that we will put this pricing mechanism into effect and we will leave open to the absolute unrestrained determination of another committee what the tax structure would be.

In effect the result of that would be a complete reneging by the committee setting the price and a movement from a specific contingency to a complete delegation of authority to define that contingency to another committee.

Mr. Chairman, it is the duty, as I see it, of the Committee on Rules to protect the jurisdictions of the various committees. I do not believe the Committee on Interstate and Foreign Commerce would have stood for that kind of a rule, because it is vastly different from the rule that was ultimately given.

Therefore, since the amendment calls not for a specific contingency but for a complete delegation of authority to complete this bill by other legislation, unlimited and undefined by the amendment itself, it is so vastly different from the original amendment that it falls under the rule that I have just read: "The fact that a resolution providing for the consideration of a bill specifically waives points of order against a particular amendment is not determinative of" some other matter which is of a different character.

Mr. Chairman, I submit that this is of a vastly different character.

Mr. ADAMS. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. ADAMS. Mr. Chairman, I want to reiterate the point that was made by the gentleman from Texas that the waiver of the amendment process by rule from the Committee on Rules does not apply to a separate amendment.

I am troubled in this case by the explanation that was given by the gentleman from Texas that the section that is being debated, the Krueger section, would be triggered by a type of concurrent resolution. I do not know where this concurrent resolution would go. For example, would it be referred to the Committee on Interstate and Foreign Commerce, and then be transmitted to the Committee on Government Operations or to the Committee on Ways and Means?

This type of contingency in this legislation, I think, would be subject to a point of order if there had not been an original waiver. Since the original waiver of the Committee on Rules does not protect this amendment, it would seem to me that a point of order would lie to the particular amendment, which, as I understand, is the Wright amendment to the Krueger amendment.

I thank the Chairman.

The CHAIRMAN. Does the gentleman from Ohio (Mr. VANIK) desire to be heard on the point of order?

Mr. VANIK. Yes, Mr. Chairman, I would like to be heard.

I would just like to say that the resolution under which the committee considers this proposal today, House Resolution 599, on page 2, line 10, sets forth as follows:

> It shall be in order to consider, without the intervention of any point of order, the text of an amendment which is identical to the text of Section 301 of H.R. 7014 as introduced and which was placed in the CONGRESSIONAL RECORD of Monday, July 14, 1975, by Representative ROBERT KRUEGER.

I think that the rule specifically indicates what would be in order would be the Krueger amendment and not amendments to the Krueger amendment.

For example, I do not believe that it would have been in order, under this rule, for the Committee on Ways and Means windfall profits section to have been introduced as an amendment to the Krueger amendment.

I think the gentleman from Texas (Mr. ECKHARDT) has very clearly stated the other valid basis on which I think the point of order should be sustained.

The CHAIRMAN. Does the gentleman from Ohio (Mr. BROWN) desire to be heard on the point of order?

Mr. BROWN of Ohio. I do.

Mr. Chairman, the amendment has within it the two factors which are also contained in the basic Krueger amendment: first, a modification, as any amendment would, of the finding or the method by which a finding can be made of what an appropriate tax is; and second, a description of what an appropriate tax is that can be found, so that the basic provisions of the Krueger amendment can be put into effect; that is, the decontrol process.

The Committee on Rules properly, I think, made in order the Kruger amendment for decontrol, and the price of oil hinged that decontrol on a suitable tax and the finding of a suitable tax.

The amendment offered by the gentleman from Texas (Mr. WRIGHT) merely modifies that process.

The question of the juridsdiction of the Committee on Interstate and Foreign Commerce to write this into its legislation was raised by the gentleman from Texas (Mr. ECKHARDT) in his comments on the point of order.

It seems to me that it is the prerogative of the Committee on Rules to combine legislation, to see that legislation is brought to the floor in tandem, so that it might be combined on the floor by the committee, in its wisdom, and in this case, specifically made in order by rule.

The prospect was that the job of the Committee on Interstate and Foreign Commerce, the jurisdictional job, decontrol, would proceed on the basis of a finding of a suitable tax and it left the establishment or the enactment of that tax to the Committee on Ways and Means.

Nothing in the amendment of the gentleman from Texas (Mr. WRIGHT) changes the basic thrust of the rule granted by the Committee on Rules in that regard, and it occurs to me that the amendment of the gentleman from Texas (Mr. WRIGHT) is perfectly appropriate and germane. It does, in fact, as any amendment would, modify the situtation; but it leaves to the full committee, the Committee of the Whole, the job of making that modification, in its wisdom.

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

Mr. KRUEGER. I do, Mr. Chairman, and I will not take much time.

Mr. Chairman, I would simply point out that the Chair has earlier ruled, it seems to me, on the same point of order that the gentleman from Texas (Mr. ECKHARDT) has offered to this amendment, and the Chair has already ruled against that particular objection.

The fact is that the rule that was granted is a rule that allows amendments to the amendment. It seems to me that this is clearly germane to the earlier amendment, and is therefore in order.

Mr. ECKHARDT. Mr. Chairman, may I speak very briefly on the point of order?

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. ECKHARDT. Mr. Chairman, I would like to make it clear that the gentleman from Ohio (Mr. BROWN) has made the point of order I previously made. I did not make the same point of order at this time.

I merely state that to put into effect a process, an entirely different kind of process that is a concurrent resolution, and a totally delegated authority subject only to that concurrent resolution, was of such a different nature that it may be that a specific provision, the findings of a precise method of triggering a mechanism, simply was not germane to the original amendment, and therefore could not be admitted as an amendment to the amendment and, furthermore, if admitted, would make the Krueger amendment nongermane to the bill itself, and is not covered by the rule.

The CHAIRMAN (Mr. BOLLING). The Chair is ready to rule.

Although a great many matters have been discussed in connection with the point of order, the Chair proposes to rule only very narrowly.

The question is whether the amendment offered by the gentleman from Texas (Mr. WRIGHT) offered to the amendment offered by the gentleman from Texas (Mr. KRUEGER) is germane as within the limitations of the precedents with regard to its scope.

The Chair finds, basically on the arguments made by the gentleman from Ohio (Mr. BROWN) that it is germane, and within the scope of the type of "windfall profits tax" defined by the Krueger amendment, although the description of the tax is somewhat less precise than the definition in the Krueger amendment. The fact that Congress, in the Wright amendment, rather than the President, as in the Krueger amendment must make the finding of enactment of the tax does not render the amendment not germane. Therefore the Chair overrules the various points of order and finds the amendment in order.

Mr. GIBBONS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to ask the author of the amendment, the gentleman from Texas (Mr. WRIGHT), and the gentleman from Texas (Mr. KRUEGER), what is meant by some of the wording in the amendment. I see both gentlemen are here, and perhaps both of them should respond, because I think they have collaborated on this amendment.

I call attention specifically to the last proviso in the Wright amendment providing that such tax shall provide an incentive for the production of new domestic crude oil.

Does this limit the Committee on Ways and Means to just a plowback type of incentive?

Mr. KRUEGER. Mr. Chairman, if the gentleman will yield, no, if they can find some other means of finding an appropriate incentive to encourage production, it would be within their scope.

Mr. GIBBONS. What if the Committee on Ways and Means finds that price was enough of an incentive, would it violate it?

Mr. KRUEGER. There is nothing in the amendment that would or would not violate it.

Mr. GIBBONS. In other words, if we determine after levying some kind of a tax there still was enough price differential left in there not to be a disincentive, then it would not require a special tax incentive, a tax expenditure to meet the strictures of the Wright amendment?

Mr. KRUEGER. The gentleman is correct. As the gentleman realizes, the tax legislation to be proposed would in fact return to this House for the approval of this House.

I think the House could in its wisdom weigh that matter at that time. The essential point of this amendment was to accommodate the Committee on Ways and Means, just as the essential point of the Krueger amendment was to accommodate the differences between the President and some Members of the House so that we could get an energy policy under way. The fact of the matter is that on September 1 we will not have a policy unless we act now in some form that we know will accommodate the interests of the executive branch as well as our own.

Mr. GIBBONS. Then, to summarize, if I may, the Wright amendment as the gentleman interprets it, and as I guess the gentleman from Texas (Mr. WRIGHT) interprets it—and I see him here, and I would hope if I state it wrong he would correct me—does not tie the hands of the Committee on Ways and Means. It would not require us to bring in a plow-back type of arrangement. We could make an independent determination that price alone, together with any tax that was levied, was a sufficient amount of incentive. Am I correct on that?

Mr. KRUEGER. That is correct.

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

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

Mr. MIKVA. I thank the gentleman for yielding.

I appreciate the fact that the two gentlemen from Texas are trying to be accommodating to the jurisdiction of the Committee on Ways and Means, but I only read the English that is in this amendment, and it says:

> Provided that such tax shall provide an incentive for the production of new domestic crude oil.

Mr. GIBBONS. That worries me, and that is why I want to get an interpretation.

Mr. MIKVA. If the gentleman will yield further, with all of the judicial gloss that the gentlemen from Texas, Messrs. WRIGHT and KRUEGER, have put on it, it seems to me that the House will be bound by the plain meaning of these words, and the words say "such tax." Therefore, I think any tax that the Committee on Ways and Means passed that did not have a plow-back would not meet the test of the Wright and Krueger amendments.

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

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

Mr. WRIGHT. I thank the gentleman for yielding.

If the gentleman from Texas (Mr. KRUEGER), and the gentleman from Texas (Mr. WRIGHT), had desired to mandate a plow-back provision, we would have specified so. I think clearly a plow-back provision might be one means by which stimulation to additional discovery could be provided.

The question was asked yesterday by the gentleman from Ohio (Mr. VANIK), as to whether a plow-back of 89 percent would be sufficient or if 91 percent would be sufficient. The questions ranged ad nauseam ad absurdum until we have simply said, Very well, Committee on Ways and Means, bring to the House something that the House will approve that will stimulate additional discovery, that will recover excess profits, and that will redistribute them back to the consumers, and upon the approval of the majority of the House that will suffice. Have a finding on the part of the House that this meets the test.

Mr. GIBBONS. To get back to it, it does not mandate a plow-back type of arrangement, and any tax we levied, considered in tandem with a price that the House approves, would meet the strictures of this language, is the way I interpret both of the gentlemen from Texas.

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

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

Mr. VANIK. I thank the gentleman for yielding.

I would like to ask the author of either the Wright amendment or the basic amendment whether under this provision the Committee on Ways and Means would be mandated to impose an excise tax. It might be found from testimony and evidence that an excise tax is not warranted and would not be the proper way to proceed. Would the committee be mandated to come up with an excise tax? That is set forth in the provisions that are now included in the Wright amendment.

Mr. KRUEGER. If the gentleman will yield, it says, I believe, with an excise tax or other tax applicable to the sales of crude oil from the property. Therefore, I would assume that since it says "or," it means another alternative.

Mr. VANIK. If the gentleman will yield, but it would mean an excise tax or other tax.

Mr. KRUEGER. If the gentleman will yield, an alternative tax.

Mr. GIBBONS. I thank the gentleman.

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

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

Mr. SEIBERLING. I thank the gentleman for yielding.

I would like to take this occasion to express an interpretation, and I would hope that the authors of this amendment could clarify it.

Mr. DINGELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would announce first

that at the earliest possible moment I will move that the Committee rise.

I would now like to ask the authors of the amendment, the gentleman from Texas (Mr. KRUEGER) and also my friend, the gentleman from the Ways and Means Committee, the gentleman from Oregon (Mr. ULLMAN), some questions about this amendment, because I am not altogether clear what the amendment offered by the gentleman from Texas (Mr. WRIGHT) to the Krueger amendment happens to mean.

First of all the amendment refers to sections (b) and (c) and it says:

> The provisions of (b) and (c) shall not take effect unless the Congress finds and so declares by concurrent resolution . . .

What is the meaning of (b) and (c) to which there is reference? May we have some history on that?

Mr. Chairman, I yield to either of my friends for that purpose.

Mr. WRIGHT. Mr. Chairman, if the gentleman will yield, the gentleman is aware that the Krueger amendment as originally offered contained a provision, subsection (d) which this new subsection replaces.

Mr. DINGELL. As I understand it though the subsection (d) refers apparently to pricing effects and provisions with respect to tertiary recovery, but I would like to have that clearly on the record as to what this particular section means.

I yield to my friend, the gentleman from Texas (Mr. WRIGHT) or the author of the amendment, the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Chairman, it does in fact replace the full set of taxations which have been provided.

Mr. DINGELL. As I understand it, it says subsection (b) then refers to the ceiling price sections. Is that correct? Then if that refers to (b) can someone inform me what the (c) is, so we have that?

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

Mr. DINGELL. I yield to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, the gentleman will recall that the original Krueger amendment required in its original subsection (d) a finding on the part of the President that a certain type of taxation was to be considered and it was very specific as to the type of taxation required. That was objected to by the Ways and Means Committee so that this provision applies with precisely the same force as the earlier subsection (d) applied.

Mr. DINGELL. With all thanks to my friend, I would like to shift the question.

Subsection (b) as I understand it says as follows:

> Except as provided in subsections (c) and (d), no price ceiling shall apply to any first sale by a producer of domestic crude oil from a property.

It strikes me that says unless we have in place a tax of this kind there is not going to be any price ceiling. Then as we get to (c) it says:

> No producer may charge a price in the case of sales from a property in a month in volume amounts equal to or less than the production volume subject to a price ceiling which is higher than the sum of (1) the highest period price at 6 ante meridian, local time, May 15, 1973, for that grade of crude oil at that field, . . .

That is essentially the $5.25 price on old oil, as I understand it, but that appears to differ with (b) which is above.

I just am curious about the technical draftsmanship and apprehensive we may be foreclosing the offering or rather we may be foreclosing a ceiling price at all being imposed or intended under the language of the amendment. I want an answer from the gentleman because I want to try to understand what this does.

I yield to the gentleman.

Mr. WRIGHT. Mr. Chairman, the Wright amendment makes no difference whatsoever in the triggering mechanism except that it gives to the Ways and Means Committee and then to the House regular latitude and the discerning of the type of tax that will be appropriate.

Originally the Krueger amendment had precisely the same requirement.

Mr. DINGELL. Mr. Chairman, that is the gentleman's intent, I will advise the gentleman; but again referring to section (d) from the provisions of the original Krueger amendment which I have before me, it says:

> Except as provided in subsections (C) and (D), no price ceiling shall apply to any first sale by a producer of any first sale by a producer of any domestic crude oil produced from a property——

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. O'NEILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the Energy Conservation Policy Act of 1975 (H.R. 7014), the bill that the committee has reported out, is the answer to the critics. I think we should go forward with this bill.

Mr. Chairman, we have before us at the present time the Krueger amendment, with the Wright amendment as a sweetener to it. For all practical purposes, we voted earlier in the afternoon on decontrol. The vote was 262 to 167. In my opinion, the Krueger amendment is not the answer. It raises no ceiling. No one in this chamber knows how high the price of oil will go with the Krueger amendment. I do not think the House should pass it even with the Wright amendment to it.

The bill we have brought out repudiates the approach of the Krueger amendment which lifts the ceiling all the way. The Krueger position is indefensible at this time. If this Member has ever seen anything that boggles the American public, it is an amendment of this type.

Mr. Chairman, the Eckhardt amendment is the basis of this bill. I think it stabilizes the present oil situation and that is the type of legislation we should adopt. It sets a price of $7.50 for most oils, while allowing certain costs to be sold at $8.50.

In 1972 oil, whether it was new oil or old oil, was selling for $3 a barrel—$3 a barrel, while the oil which has been selling at the OPEC cartel prices would be brought back into line if we pass the Eckhardt amendment. With that amendment we can bring it back to $8.50 a barrel.

H.R. 7014 will stabilize the average American oil prices at the general 1975 levels. The average price will neither be rolled on back nor allowed to soar to the OPEC prices with the bill we have now. It will stabilize home heating and electrical bills. It will not slow down the economy. It will not add to the worst inflation that this country has ever had.

The bill will do positive things and there is no question about it.

Now, last week the Consumer Economic Subcommittee of the Joint Economic Committee estimated that the President's bill, which was $13.50, as compared to the Krueger amendment which has no ceiling, if it goes to $16, $17, or $18 by the President's bill, and I quote:

> . . . will transfer upward of $40 billion from consumers to the oil companies in a period of two years.

That is about $20 billion a year.

Mr. Chairman, the Committee on Economics also reported last week that it estimated that inflation through 1976 would rise about 50 percent. In other words, if it is 10 percent this year, it would go to 15 percent next year, when we have oil at $13.50 a barrel.

I repeat, the Krueger amendment has no ceiling. Inflation will go out of sight. The Joint Economic Committee says that with the President's bill, unemployment would go up one-half of 1 percent. Do the Members know what one-half of 1 percent is? That is 500,000 jobs; one-half million jobs. That is the President's bill at $13.50.

The Krueger amendment has no ceiling. We have no idea as to how high the cost of oil would go. We do not know what it is going to do with regard to encouraging oil production. Nor do we have any records as to how much oil there is.

I say that we have already acted once today. We acted on the President's decontrol bill. The vote then was overwhelming. I think the vote against the Krueger amendment should be overwhelming in the same way. I think we should stay with the Eckhardt amendment; I urge my colleagues to vote to defeat the Wright amendment and to defeat the Krueger amendment.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in support of the legislation before us today, H.R. 7014, the Energy Conservation and Oil Policy Act of 1975.

It is abundantly clear to me that the President's proposal for a 30-month phaseout of crude oil price controls will put this Nation's economy on a collision course with disaster.

The administration's decontrol plan would siphon off some $25 to $45 billion a year in consumer purchasing power and would result in the loss of jobs for as many as one and a half million American workers, according to the eminent economist Charles L. Schultze, who appeared July 14 before the Joint Economic Committee to present testimony on the impact of oil price decontrol.

Testimony received by the committee indicates that the President's decontrol plan would raise the Consumer Price Index by 2 percent by the end of 1976

and 3 percent by the end of 1977. Higher consumer prices will, in turn, influence wage bargains and further drive up wages and prices, thus exacerbating the inflationary spiral that has only just begun to show some signs of slowing. Then, too, consider the impact of resultant higher energy prices on business investment decisions. The economic recovery touted by the administration could be aborted early in 1976, and turn into a new recession leading to an absolute increase in unemployment above the level we are now experiencing.

The economic scenarios that have been developed to show what could happen as a result of the 30-month price control phaseout proposed by the President are very grim—but they could become even worse if the OPEC cartel makes good its promise to increase crude oil prices at the end of September. The President's decontrol plan, combined with an OPEC price increase, could spell disaster for the hard-pressed consumers of this Nation, and could put the U.S. economy into a tailspin.

The very likelihood that we could be facing both decontrol and an OPEC price increase should encourage every Member on the floor today to support the legislation before us.

The price ceilings authored by our distinguished colleague, Congressman ECKHARDT, are fair to the U.S. oil industry, but they also protect the interests of the U.S. economy and the American consumer. After all, why should the American consumer be held an economic captive to the avaricious predations of a foreign oil producing cartel that seems intent on breaking the economic back of the civilized world?

Mr. Chairman, I strongly urge my colleagues to join with me in supporting H.R. 7014 as reported by the Interstate and Foreign Commerce Committee, and to strongly oppose any proposal that would set ceilings on domestic oil at a price greater than those levels recommended in the committee bill.

Mr. OTTINGER. Mr. Chairman, I include at this point the letter addressed to the Honorable WARREN G. MAGNUSON concerning the current costs of oil production which I alluded to earlier.

FEDERAL POWER COMMISSION,
Washington, D.C., July 21, 1975.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: I am pleased to forward the attached cost analyses prepared by me in response to your letter of July 15, 1975, requesting the following:

(1) An alternative to the study transmitted on June 26, using the same data and analysis but including Alaska as well as the lower 48 states. In order to assure that these computations are conservative, we would request that only one-half of the reported reserves in Alaska be used in the computation. In addition, please assume a Federal Income Tax liability equal to 10 percent of gross income on the value of crude oil produced.

(2) An estimate of the cost per million Btu's of producing new hydrocarbons, whether crude oil or natural gas. Such a computation would avoid the difficult allocation problems of joint costs between the two fuels. Please base this estimate on the five-year average of expenses, reserves, additions, and production. Again, please utilize one-half of the Alaskan reserve additions in the computation and assume a Federal Income Tax liability of 10 percent of gross income from crude oil and natural gas sales.

(3) We would also request the Federal Power Commission Staff Analysis of the estimated cost of production of old domestic crude oil, which is based on 1972 data. We should also appreciate any help you can give us in trending these costs forward to reflect current 1975 costs.

The results of the foregoing analyses (1), (2) and (3) are $5.49 per barrel, $4.14 per barrel and $2.96 per barrel, respectively. A discussion of possible trending methods is provided in the attached analysis.

I will be pleased to answer any questions you have regarding the staff analysis.

Sincerely yours,

LOUIS J. ENGEL,
Supervisory Regulatory Gas Utility Specialist.

COST OF FINDING AND PRODUCING A BARREL OF NEW CRUDE OIL (TOTAL U.S.) [1]

LINE NUMBER, ITEM DESCRIPTION, SOURCE, AND UNIT COST PER BARREL

1. Oil Well Drilling Cost, Sch. 3, $0.43.
2. Lease Acquisition Cost, Sch. 3, $0.37.
3. Production Facilities, Sch. 3, $0.27.
4. Subtotal, $1.07.
5. Dry Hole Drilling Cost, Sch. 3, $0.21
6. Other Exploration Cost, Sch. 3, $0.19.
7. Exploration Overhead, Sch. 3, $0.05.
8. Subtotal, $0.45.
9. Operating Expense, Sch. 3, $0.88.
10. Casinghead Gas Credit, Sch. 3, $0.61.
11. Return on Working Capital, Sch. 3, $0.12.
12. Return on Investment, Sch. 3, $2.28.
13. Royalty at 16%, Sch. 2, $0.80.
14. Subtotal, Sch. 2, $4.99.
15. Total including income tax at 10% of gross income, $5.49.

COST OF FLOWING OIL [1]

Production Cost: [2]	Per barrel
1. Cash Expense	$1.02
2. DD&A	.48
3. Return	.74
Total	2.24
EXPLORATION AND DEVELOPMENT [3] ALLOWANCE (E & D)	
4. Expense	.34
5. Return	.11
Total	.45
7. Total, Production & E & D	2.69
8. FIT computed as 10% of Line 7	.27
Total	2.96

[1] Cost of flowing oil is estimated on a basis comparable to the cost of flowing gas, under past Commission approved methods, in Commission Notice Issuing Staff Rate Recommendation and Prescribing Procedures, issued September 12, 1974, in Docket No. R-478. (See Notice Appendix B, Summary, Schedule No. 1-A, Column (e)). Method further combines operations of Independent Producers, Pipeline Affiliates, and Pipeline Producers which were reported in subject docket in year 1972 for the Lower 48.

[2] Production costs are based on current year 1972 operations on leases producing essentially oil only or leases producing oil and casinghead gas. Leases producing both oil and gas-well gas (combination leases) were excluded from study because of the complexity in allocation procedures. Allocation of joint product oil and casinghead gas costs was made on the basis of relative costs, i.e., through consideration of what it would cost to produce the products singly as measured by the cost of separate product gas-well gas and single product oil.

[3] E & D costs are based on current expenditures for essentially unsuccessful costs. E & D costs are first assigned, and the remainder allocated, on the basis of the respondents reported intent as between gas reservoir and oil reservoir operations. Costs for oil reservoir operations were then allocated between oil and gas current production, as measured by Btu content, after the oil Btu's had first been modified by a multiple of 2.5. The resulting with E & D cost for oil was then imputed to production of oil on the subject lease types.

[1] Includes Alaskan data to the extent that 50% of Alaskan oil additions were included in the productivity estimate.

Mr. DRINAN. Mr. Chairman, I would the amendments to title III to H.R. 7014, like to take this opportunity to speak on the Energy Conservation and Oil Policy Act of 1975. H.R. 7014 represents a comprehensive energy package which has many commendable and well thought out provisions. I would like to direct my comments at this time, however, to title III, which relates to the oil pricing policies of the bill.

The oil pricing policies as enunciated in H.R. 7014 will bring about a dramatic change in the pricing classification of oil in this country. At present, the price of oil is set according to the largest general categories of "new" versus "old" oil, the former selling at the market price of approximately $13 per barrel, the latter subject to a $5.25 price ceiling. These are the figures which currently govern the domestic sale of petroleum.

Mr. Chairman, if title III of the Energy Conservation and Oil Pricing Act were enacted, the existing price classifications administered by the Federal Energy Administration would be totally phased out over a period of several years. Old oil would be phased out so that by 1980 it would have an average price ceiling of $7.50 per barrel. Conversely, the price of "new" oil, which is presently sold at a free market rate, would be rolled back to the $7.50 per barrel average.

The above description captures the general rationale for title III, Mr. Chairman, but there are a number of special pricing provisions which adhere to the bill. For example, while the average price ceiling is supposed to be $7.50 per barrel, oil from the Outer Continental Shelf, the Arctic Circle, or that which is produced from tertiary recovery, or from high cost properties, could sell for $8.50 per barrel. In addition, an inflation adjustment factor of two-thirds of 1 percent per month, compounded on the respective $7.50 and $8.50 prices is included. The inflation adjustment becomes operative 45 months after the date of enactment, with the result that the $7.50 controlled price would be gradually increased until the price is fully decontrolled. Consequently, we do not have just a price ceiling for oil, but a mechanism for the gradual decontrol of oil prices.

I oppose the decontrol of oil, Mr. Chairman, whether it be a gradual decontrol of prices or an even more ill-advised immediate decontrol similar to what the President is proposing. Should oil be allowed to float to the current market price, it will assume a level of approximately $13 a barrel. The giant oil companies argue that this is the price which

they need to develop rapidly our country's fossil fuel resources. I would argue on the other hand, Mr. Chairman, that this $13 level is completely artificial and unwarranted.

It is popularly said that the $13 price is a free market price, but this is hardly the case. Rather, it is the figure that the OPEC countries have arbitrarily set for the price of oil. Even Treasury Secretary William Simon admits the OPEC price is unrelated to reality, to costs, or to alternative energy sources. It is simply a figure which has been arrived at through political calculation.

The big eight oil companies in the United States are now using the OPEC price as the price which they must have to develop sufficiently U.S. domestic oil. And yet in 1972, the National Petroleum Council estimated the average price would have to rise to only $3.65 a barrel by 1975 in order to stimulate maximum production. At the same time, the Council estimated that "the highest drilling and finding rates would require no more than an incentive price of $6.69 by 1985." In spite of these revealing figures, as new domestic oil prices have tripled, domestic production has continued to fall. If genuinely pressed, oil industry executives will admit that the availability of oil and equipment and personnel shortages, and not price, are the real constraints on production.

I would like to ask at this time, Mr. Chairman, what the big American oil companies are going to charge for oil when the OPEC countries raise their prices again. Will they maintain that they should get $14, $15, or $16 per barrel of oil as a necessary price to spur development? Are they going to say that the politically motivated price has become the new sound figure for energy expansion? If our present experience is any indication, that is exactly what they will do, regardless of what is actually needed to bring about increased oil and gas exploration.

Let us look at the figures if there are those who would doubt the greed of the oil companies. Two years ago, in 1973, the average price of domestic oil was $3.50 a barrel on the free market. A year later, it had reached $7.05. After the latest OPEC price increases, "new" domestic oil in this country shot up to approximately $13 a barrel. The oil industry argues that it needs this type of price and profits as an incentive to drill additional oil. And yet, Mr. Chairman, these same oil executives did not discover $7 to be an inadequate incentive until after foreign oil prices hit $11 only a short time ago. The lesson to be learned here is that the oil companies are willing to charge whatever they can, regardless of the price to the American consumer, to satisfy their craving for higher cost and greater profits.

In short, I do not believe that the oil producers even need $7.50 a barrel to explore successfully for new fossil fuel energy resources. I feel that the $5.25 price which is now being charged for "old" oil provides enough incentive for these companies. However, the giant oil producers will never tolerate such prices when they are capable of successfully charging American consumers so much more for their energy needs.

Returning to the actual provisions of title III, Mr. Chairman, I would like to point out the fact that the President is allowed by this bill to establish a higher price for oil on certain properties such as the Outer Continental Shelf or the Arctic Circle where exploration is deemed to be excessively expensive. In addition, H.R. 7014 grants the President authority to establish higher prices than the $7.50 per barrel for any property in instances where the President determines that the higher price is reasonable and justified in relation to the costs of production of the property.

Mr. Chairman, we already know where the President's predisposition lies in this matter. He would like nothing more than to allow the OPEC oil prices to prevail for all domestic energy supplies. Consequently, how can we grant to him the authority to raise prices to an $8.50 average price? And bear in mind, we are talking about the average price. This means that some oil could be priced at $9.50 or even $10 a barrel, as long as the average did not exceed $8.50.

I do feel that the Interstate and Foreign Commerce Committee has attempted to arrive at a workable compromise in setting an overall oil price ceiling. However, I do feel that they have been overly generous in setting the ceiling at $7.50 per barrel. I genuinely feel that domestic production would receive adequate incentives by setting the price ceiling at the existing $5.25 price for "old" oil. Therefore, Mr. Chairman, I feel that it is necessary to oppose title III of the act.

Mr. Chairman, while I do oppose title III of the Energy Conservation and Oil Policy Act, I do want to say that the overall bill is certainly worthy of support. The bill does in large part extend the important provisions of the Emergency Petroleum Allocation Act, protecting the consumer through an allocation system which takes into account regional disparities and transportation factors. Mandatory automobile fuel economy standards are established providing that auto manufacturers would be fined, starting with the 1978 model, for failing to improve mileage per gallon of gasoline. In addition, the bill calls for the creation of a national civilian strategic petroleum reserve of not more than 1 billion barrels of petroleum. The President is required to develop a plan for the strategic reserve and to submit it to Congress for review within 1 year of enactment.

Other important provisions within H.R. 7014 include a section which requires the President to submit to Congress one or more energy contingency plans and one gasoline rationing contingency plan. Thus, the country will be better prepared for an emergency such as the Arab boycott in the fall of 1973. In addition, the Energy Conservation and Oil Policy Act requires the General Accounting Office to perform an annual audit of the major oil companies' finances and records. This information should help significantly our energy agencies to understand the actual energy situation in which our country now finds itself.

Mr. Chairman, I would also like to commend the Committee for developing standards for energy conservation in the industrial sector, in transportation, and in the labeling of our appliances. These standards are very important in reversing this country's traditional bias against energy conservation. Until this point the Federal Government has virtually ignored vast possibilities in the area of energy conservation.

I regret that I cannot give my full support to H.R. 7014, Mr. Chairman, but I feel strongly that the oil companies need no additional incentives to develop properly our energy supplies. If it were not for title III of this Act, I could enthusiastically support the Conservation and Policy Act, but as this is the determinative section in the bill, I am constrained from lending my full support to the legislation.

Mr. DINGELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore, Mr. MCFALL, having assumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the bill (H.R. 7014) to increase domestic energy supplies and availability; to restrain energy demands; to prepare for energy emergencies; and for other purposes, had come to no resolution thereon.

PERMISSION FOR SUBCOMMITTEE ON NATIONAL PARKS AND RECREATION OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT ON WEDNESDAY, JULY 23, 1975 DURING THE 5-MINUTE RULE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent that the Subcommittee on National Parks and Recreation of the Committee on Interior and Insular Affairs be permitted to sit on Wednesday, July 23, 1975, while the House is proceeding under the 5-minute rule.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from North Carolina (Mr. TAYLOR)?

There was no objection.

ALASKAN LANDS; SUBCOMMITTEE HEARINGS SET DURING AUGUST RECESS

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

Mr. MELCHER. Mr. Speaker, for the benefit of persons interested, I wish to announce that the Public Lands Subcommittee of the Interior and Insular Affairs Committee will hold hearings in Alaska, starting Monday August 4, during the August recess, on Alaskan lands problems.

There are now five bills before the subcommittee relating to disposition of Alaskan Public Lands, and particularly

the 80 million acres which were set aside by former Secretary of the Interior Rogers C. B. Morton for study as national forest, refuge, park, wild and scenic designation.

The subcommittee will hold hearings in Alaska to get the viewpoints of Alaskans throughout the week of August 4. Further hearings will be held later here in Washington.

My attention has recently been directed to an editorial in the Fairbanks News-Miner entitled "Huge Federal Withdrawals Haunting Alaska's Future."

The editorial lauds a bill by our colleague, Congressman DON YOUNG, who has proposed a system of corridors for commerce to assure orderly economic development and access to Alaskan natural resources.

Congressman YOUNG's bill is a thoughtful proposal and his bill and the News-Miner editorial constitute a constructive contribution to the discussion and consideration of the problem with which the subcommittee will deal.

As such, I am including it in the RECORD for the information of all those interested.

There is an opportunity in Alaska to plan and to wisely develop a vast new land area of this Nation, which contains a wealth of resources, with minimal disturbance of the beauty and natural values of the land.

The subcommittee is interested in everyone's views and suggestions for it is aware that its decisions will be of great importance now and, as the News-Miner puts it—"down the long road ahead."

The items follow:

HUGE FEDERAL WITHDRAWALS HAUNTING ALASKA'S FUTURE

Congressman Don Young, who has entered one of five bills in Congress pertaining to the disposition of some 80 million acres of Alaska land which was withdrawn for study by former Interior Secretary Rogers C. B. Morton, has sounded new warnings concerning the withdrawals.

The 80 million acres was set aside when Mr. Morton recommended that it be included in the national forest, national park, national refuge, and wild and scenic rivers systems. Congress is now in the process of evaluating that recommendation.

Rep. Young's bill establishes a 15-million acre scenic reserve system and sets up at least seven multiple-use corridors. The future of Alaska, in some ways, hangs in the balance on the decision made on the 80-million-acre withdrawal.

If all of the 80 million acres, located as it is, would be put into single-use reserves, the opportunity to properly develop the oil, gas and mineral resources of our state would be dealt a crippling blow.

It is for this reason that Alaskans, regardless of how busy they might be, and regardless of how many other pressing short-range problems there are, must remain vigilant on the matter of the use designated for the 80 million acres.

Among the five bills relating to reclassification of that huge amount of land—greater in size than many states—only Rep. Young's bill provides for adequate corridor systems, and his is the only bill that specifically sets aside the corridor for a natural gas transportation corridor to the Cordova area, the route chosen by El Paso Natural Gas Co. in its application for a natural gas pipeline from the North Slope.

As Rep. Young has pointed out many times, single-use designation for the vast land area would not only put in doubt the natural gas line, but also hopes for development of the vast hard-rock mining potential in our state.

The long-range implications of the decision on the 80 million acres are many. Many feel that the mineral potential of Alaska can lead to the United States becoming self sufficient in mineral production.

Mr. Young's bill calls for seven corridors. They are a north-south corridor through the state; a corridor through Petroleum Reserve No. 4 (Pet 4); and east-west corridor through the center of our state from Nenana to Bethel, serving Fairbanks directly; a corridor extending to the Haines Highway; the existing corridor Alaska Arctic Gas would need if its proposed Canadian natural gas route is approved; the corridor to Gravina Point which El Paso Gas proposes; and either of two proposed corridors crossing the north-central part of the state, one of which is directly connected to Pet 4.

These recommendations appear to be the minimum Alaskans could possibly accept. The Bureau of Land Management in its study recommended the withdrawal of some 34 corridors within the state. While all of those may never be necessary, it is far better for us to have them in reserve than to come upon a time when they are needed and have our hands tied behind our back.

Mr. Young's bill is a compromise between the vast recommendations in the BLM study and the position of the strong pro-environmental groups, who would like to see all future development in our state blocked.

The biggest single project immediately at stake is the 'all-American' natural gas line. Businessmen in our state have formed to look after the project in a group known as OMAR. Pacific Northwest businessmen have been alerted to the fact that their participation is as vital now as it was during the battle for the trans-Alaska oil pipeline.

Working together, and keeping the importance of the reclassification uppermost in our minds, it is likely that Rep. Young's bill, or a modification of it, can be implemented to assure a steady economic growth for our state.

We must not get caught up in the hectic boom period we are now experiencing and forget to look down the long road ahead. Setting aside an intelligent corridor system now is in the best interests of all concerned—even the environmentalists.

A workable corridor system will assure an orderly future development, one which allows the job to be done without disturbing any more of our beautiful country than is absolutely necessary.

STATEMENT ON U.S. RELATIONS WITH SOUTH KOREA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, our relations with the Republic of Korea have in recent weeks received more and more attention, as it becomes apparent that there are moves afoot in this Chamber to begin the process of abandoning South Korea, as this country abandoned South Vietnam on a step-by-step basis from 1968 until the Communist victory there last April. I urge this body and appeal to my colleagues not to set out on this course, for the end result could be another Communist victory in Asia, a second bitter defeat for a quarter of a century of American policy in the Far East, the persecution of anti-Communists and U.S. supporters in Korea and the anguish of hundreds of thousands or even millions of Korean refugees fleeing to escape Communist tyranny.

Two basic contentions are made by those who favor beginning the policy of abandonment of South Korea. They argue that South Korea's security and stability are not important to the security of the United States. It also is asserted that the United States should end all ties with what is called the undemocratic government of President Park Chung Hee. I will discuss each of these contentions.

Those who say that Korea and the adjacent areas of Northeast Asia are of marginal importance to the United States have neglected their reading of history and fail to understand the intensity of great power interests in that area today. Korea has been the cockpit of conflict in Asia since the late 19th century. Since 1894, five wars have either been fought on Korean soil or involved foreign troops in Korea.[1]

All involved one or more of the four great powers whose interests presently come together in the Korean peninsula. It is a fact that Japan, China, and the Soviet Union have vital political and military interests in Korea. U.S. abandonment of South Korea would spark a major convulsion of great power policies in the region.

Abandonment, in my view, could conceivably rupture the United States-Japan alliance, which could, in turn, end U.S. influence in East Asia. The Government of Japan has made it clear since the fall of Saigon that while Japan saw no vital interests in South Vietnam, South Korea is, in the Foreign Ministry's words, "a different story." On July 10, Foreign Minister Miyazawa listed peace and stability in Korea as the number one Japanese foreign policy objective in Asia.

Some Americans who favor abandonment argue that if this were done over a longer period of a few years, the impact on Japan might be cushioned. I credit the Japanese with more perception than that. They would see abandonment for what it is very early in the game, especially given the precedent in Vietnam; and they would draw the appropriate conclusions: First, that the end result of abandonment would be a Communist takeover of South Korea; and second, that the United States-Japanese Security Treaty had as little value as the United States-South Korea Mutual Defense Treaty.

Already, the Soviet Union and China are offering Japan potential alternatives to the American alliance. China is proposing a common anti-hegemony front to be incorporated into the Japan-China treaty of peace and friendship presently under negotiation. Moscow continues to dangle its Asian collective security scheme in front of Japan with its growing Pacific fleet as an added inducement. U.S. abandonment of South Korea would make these alternatives far more attractive to Japan—coupled perhaps with the alternative of rearmament—as the Japa-

[1] The Sino-Japanese War of 1894–95; the Russo-Japanese War of 1904–05; the Japanese takeover of Manchuria, 1931–33; the Soviet invasion of Korea, August–September 1945; and the Korean War, 1950–53.

nese sought new sources of security to replace an American defense commitment of dubious value. Thailand's rush to accommodation with the Communist powers in Southeast Asia is an object lesson of the results of American withdrawal and defeat in Asia. It would be a disaster for the United States if Japan, with its vast economic power and potential military power, were to embark on such a course. A steadfast U.S. commitment to the security of both South Korea and Japan is the best way to prevent this.

For China and the Soviet Union, U.S. abandonment of South Korea would have equally strong effects. China would be emboldened to apply a death grip of military and/or economic pressure on the Republic of China on Taiwan, thus dooming the democratic government and the booming economy of the 15 million people of that island. The Soviet Union would have new incentives to continue its naval buildup in the Pacific and to place more pressure on the free Asian nations to move into an anti-United States, Soviet sphere of influence under the aegis of the collective security scheme. The Soviet Defense Ministry recently warned Asian countries to relinquish their security ties with the United States.

In the end the United States could be finished as a power in the Western Pacific. Soviet and Chinese power would predominate as Japan and the other free Asian nations seek to preserve some measure of their independence through accommodation and association with Moscow and Peking. To the United States, Asia would become an essentially hostile land mass using its vast population and tremendous economic resources against the interests of the United States.

And what of the rest of the world? It is well known that the United States has committed itself strongly to the independence of the Philippines, Taiwan, and Israel. However, since 1945, the United States has committed itself equally strongly to the independence of South Korea. We played a primary role in promoting the independence of each of these small countries in the postwar period. Abandonment of South Korea would be a clear signal to every U.S. ally in the world that no defense commitment from the United States is secure from the political whims of the moment in Washington. U.S. credibility would suffer another serious blow.

The human rights issue often is used as a rationale by the proponents of abandonment. However, I find it interesting that these people do not now advocate a reaffirmation of the U.S. defense commitment to Thailand under SEATO and continued aid to Thailand. That country has a democratic government and extensive political freedoms and civil liberties. Are we prepared to abandon that nation to Communist domination? For some, apparently, the human rights issue is only a propaganda tool to be used to influence American public opinion to abandon its commitments in Asia. Where it cannot be used in this fashion, it is conveniently forgotten.

It is true that some of the present internal policies of the Park Chung Hee government are undemocratic and that the majority of the American people probably would disapprove of these policies. It may be justified to criticize President Park for his arrests of political opponents and suppression of the press. However, I would argue that we should not expect the South Korean Government to be a pure, American-style democracy. There is continuing threat from North Korea and constant Communist inspired agitation in South Korea. As a result the government in Seoul must maintain some controls over the populace that we Americans would find unsuited to our own situation. Certainly this is a better situation than communistic rule which would be the alternative. Let us remember that during our own Civil War, President Lincoln had thousands of political opponents in the North arrested—at least 13,000 political prisoners according to Civil War historian James G. Randall—and he had them incarcerated for months and even years without civilian trial. Mr. Lincoln also periodically ordered newspapers shut down in cities like Chicago, New York, and Philadelphia for their criticism of his policies. Mr. Lincoln and his advisers argued that the crisis of civil war necessitated such undemocratic measures. Is South Korea's crisis today any less severe? While we may criticize Park Chung Hee, let us remember our own Civil War experience with civil liberties under a President we today revere as perhaps our greatest President.

Let us remember also that the political opposition in South Korea, while strongly critical of Park, is adamantly against abandonment of South Korea by the United States. The past and present leaders of the major opposition New Democratic Party, Kim Dae Jung and Kim Young Sam, are on public record as favoring continuation of U.S. military aid, the stationing of U.S. forces in South Korea, and the United States-South Korea Mutual Defense Treaty. Kim Young Sam has argued that the withdrawal of U.S. troops and aid and the termination of the U.S. defense commitment would give Park Chung Hee justification for his internal measures.

Despite the present political situation, South Korea has achieved tremendous progress since the Korean War. From the devastation caused by the conflict, it has emerged as a modern, industrializing nation with a steadily rising standard of living for the great majority of its people. South Korea's per capita income of $513 is anywhere from 3 to 10 times higher than that of most less developed nations. Growing new cities are today linked by a modern transportation system to the countryside where rural poverty has been replaced by villages with electricity, rebuilt homes, piped water systems, and modern appliances. Self-sufficiency in agricultural production may be achieved by the end of the decade, and South Korea no longer will need U.S. economic aid to finance its development.

South Korea also is one of the few less developed countries that has made tangible progress in controlling population growth. Where elsewhere there is rhetoric on this question, in South Korea there is achievement. Under the Government's programs, the rate of population increase has fallen from 3 percent in 1961 to 1.8 percent today. Rapid strides also have been made in health and education. Life expectancy has reached 65 years, and over 95 percent of South Koreans 12 years or older are literate.

These vast changes are fast producing a more prosperous, better educated, and more mobile population in South Korea. These developments, I believe, in time will affect the political climate in South Korea and will move the country toward a more free and open government and society. Western democratic values are shared by vast numbers of South Koreans, and the political problems of today should not blot out the promise of tomorrow. If today's problems cause the United States to abandon its commitment to South Korea, that promise will be lost forever. The Communist totalitarianism of North Korea would suffocate all hopes for democracy in South Korea, and the South Korean people would enter a new dark age of regimentation and repression that would endure for decades.

The American people have invested much in South Korea: over 33,000 killed during the Korean War, the commitment of troops for over 25 years, and nearly $12 billion in military and economic aid. In so many ways, South Korea's progress has provided a good return on this investment. The 22 years of peace on the Korean peninsula also has been a good return. Make no mistake about it: the 22 years of peace have been the direct result of the U.S. defense commitment and the maintenance of American troops in South Korea. North Korea realizes better than anyone that the U.S. commitment stands in the way of its plans for conquest in the South, as evidenced by the two recent direct appeals Pyongyang has made to Congress to legislate the withdrawal of American forces. It would be a tragedy for the United States to sacrifice all it has achieved in South Korea and can achieve in the future in promoting the peace and progress of the 33 million people of that country. We should not abandon these worthy objectives.

THE MOVE TOWARD INDEPENDENCE—THE EVENTS OF JULY 1775

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, we witness this month the 200th anniversary of several key, pivotal events which led to the formation of our Republic.

It was during July 1775 that the Continental Congress adopted the Olive Branch Petition—asking for a peaceful settlement of differences, while almost simultaneously adopting the Declaration of the Causes and Necessities of Taking Up Arms—stating the colonies would not yield to enslavement and would consider accepting foreign assistance against Britain. On the last day

of the month, the Congress rejected the conciliation plan offered by the British Prime Minister, Lord North.

All this was done with a degree of self-assurance—for two reasons. First, on July 3, George Washington had taken command of the 14,500 troops at Cambridge in Massachusetts. Second, they knew the Olive Branch Petition was still on its way to England. In short, negotiations—backed by strength—were continuing at this point.

The Olive Branch Petition was important in the context of the internal struggle amongst the Members of the Continental Congress also. The independence faction—the liberty party as it was known in the New England States—had been championing that cause for some time, and it was gradually picking up converts. One at a time, the uncommitted Members were moving toward independence, and some Loyalists were moving toward noncommitment. But the process was not without much friction.

John Dickinson, a Member from Pennsylvania and subsequently from Delaware, was among the principal advocates of reconciliation with the Crown. As an articulate, learned, and persistent advocate, he argued against separation on a wide variety of points--English traditions of loyalty, economic alliance and other dependencies, the presumed inabilities of the colonies to sustain an army and navy—and the quite simple point that a successful separation had never before been done.

Dickinson drafted the Olive Branch Petition from those convictions, and he perceived himself to be acting in the genuine interest of the colonies. Of this petition, Thomas Jefferson, who served with Dickinson, wrote years later:

Congress gave a signal proof of their indulgence to Mr. Dickinson, and of their great desire not to go too fast for any respectable part of our body, in permitting him to draw their second petition to the King according to his own ideas, and passing it with scarcely any amendment.

There was not that much debate on the Olive Branch Petition. What needed to be said for or against it had already been said.

Here are excerpts from its text:

"At the conclusion, therefore, of the late war (the French-Indian War), the most glorious and advantageous that had been won by British arms, your loyal colonists having contributed to its success, by such repeated and strenuous exertions, as frequently procured them the distinguished approbation of your Majesty, of the late king, and of parliament, doubted not but that they should be permitted, with the rest of the empire, to share in the blessings of peace, and the emoluments of victory and conquest. While these recent and honorable acknowledgements of their merits remained on record in the journals and acts of that august legislature, the Parliament, undefaced by the imputation or even the suspicion of any offence, they were alarmed by a new system of statutes and regulations adopted for the administration of the colonies, that filled their minds with the most painful fears and jealousies; and, to their inexpressible astonishment, perceived the dangers of a foreign quarrel quickly succeeded by domestic dangers, in their judgment, of a more dreadful kind.

Nor were their anxieties alleviated by any tendency in this system to promote the welfare of the Mother country. For tho' its effects were more immediately felt by them, yet its influence appeared to be injurious to the commerce and prosperity of Great Britain.

We shall decline the ungrateful task of describing the irksome variety of artifices, practised by many of your Majesty's Ministers, the delusive pretences, fruitless terrors, and unavailing severities, that have, from time to time, been dealt out by them, in their attempts to execute this impolitic plan, or of tracing, thro' a series of years past, the progress of the unhappy differences between Great Britain and these colonies, which have flowed from this fatal source.

* * * * *

Knowing to what violent resentments and incurable animosities, civil discords are apt to exasperate and inflame the contending parties, we think ourselves required by indispensable obligations to Almighty God, to your Majesty, to our fellow subjects, and to ourselves, immediately to use all the means in our power, not incompatible with our safety, for stopping the further effusion of blood, and for averting the impending calamities that threaten the British Empire.

* * * * *

We solemnly assure your Majesty, that we not only most ardently desire the former harmony between her and these colonies may be restored, but that a concord may be established between them upon so firm a basis as to perpetuate its blessings, uninterrupted by any future dissentions, to succeeding generations in both countries.

* * * * *

These, related as we are to her, honor and duty, as well as inclination, induce us to support and advance; and the apprehensions that now oppress our hearts with unspeakable grief, being once removed, your Majesty will find your faithful subjects on this continent ready and willing at all times, as they ever have been, with their lives and fortunes, to assert and maintain the rights and interests of your Majesty, and of our Mother country.

We, therefore, beseech your Majesty, that your royal authority and influence may be graciously interposed to procure us relief from our afflicting fears and jealousies, occasioned by the system before mentioned, and to settle peace through every part of your dominions, with all humility submitting to your Majesty's wise consideration whether it may not be expedient for facilitating those important purposes, that your Majesty be pleased to direct some mode, by which the united applications of your faithful colonists to the throne, in pursuance of their common councils, may be improved into a happy and permanent reconciliation; and that, in the mean time, measures may be taken for preventing the further destruction of the lives of your Majesty's subjects; and that such statutes as more immediately distress any of your Majestiy's colonies may be repealed.

For by such arrangements as your Majesty's wisdom can form, for collecting the united sense of your American people, we are convinced your Majesty would receive such satisfactory proofs of the disposition of the colonists towards their sovereign and parent state, that the wished for opportunity would soon be restored to them, of evincing the sincerity of their professions, by every testimony of devotion becoming the most dutiful subjects, and the most affectionate colonists.

That Dickinson believed himself to be acting in the best interest of the colonies is reflected by his subsequent service. Although he voted against the Declaration of Independence, not signing it until May 5, 1779, he served in the Continental Army, rising to the rank of brigadier general of the Pennsylvania militia. He served as a competent governor—it was then known as president—of both Delaware and Pennsylvania after independence, and he was one of the principal authors of the Constitution of the United States.

It is not surprising, therefore, that the almost simultaneously adopted Declaration of the Causes and Necessities of Taking Up Arms was coauthored—with Thomas Jefferson of Virginia—by Dickinson.

The most salient passages from this declaration are, as follows:

We have counted the cost of this contest and find nothing so dreadful as voluntary slavery. Honor, justice, and humanity forbid us tamely to surrender that freedom which we received from our gallant ancestors, and which our innocent posterity have a right to receive from us. We cannot endure the infamy and guilt of resigning succeeding generations to that wretchedness which inevitably awaits them, if we basely entail hereditary bondage upon them.

Our cause is just. Our union is perfect. Our internal resources are great; and, if necessary, foreign assistance is undoubtedly attainable. We gratefully acknowledge, as signal instances of the divine favor toward us, that His providence would not permit us to be called into this severe controversy until we were grown up to our present strength, had been previously exercised in warlike operation, and possessed of the means of defending ourselves. With hearts fortified with these animating reflections, we most solemnly, before God and the world, declare that, exerting the utmost energy of those powers which our beneficent Creator has graciously bestowed upon us, the arms we have been compelled by our enemies to assume, we will, in defiance of every hazard, with unabating firmness and perseverance, employ for the preservation of our liberties; being with one mind resolved to die free men rather than live slaves. . . .

In our own native land, in defense of the freedom that is our birthright and which we ever enjoyed till the late violation of it, for the protection of our property acquired solely by the honest industry of our forefathers and ourselves, against violence actually offered, we have taken up arms. We shall lay them down when hostilities shall cease on the part of the aggressors and all danger of their being renewed shall be removed, and not before.

On the 22d of July, a committee consisting of Benjamin Franklin of Pennsylvania, John Adams of Massachusetts, Richard Henry Lee of Virginia—who less than a year later was to make the formal motion for Independence, and Thomas Jefferson—who was to author its Declaration, was appointed to consider and report on the Conciliation Plan offered by Lord North.

This plan had been adopted in Parliament on February 20 and had only in July arrived in Philadelphia. Its provisions insisted most actions of the colonies' general councils, assemblies, and general courts had to be placed into abeyance, after adoption, until approved by the King.

This was unacceptable, for it continued—and would have locked in with the consent of the colonies themselves—the prior practice of Royal assent.

The Members, thus persuaded, adopted this formal response in opposition to the plan:

The Congress took the said resolution into consideration, and are thereupon, of opinion,

That the colonies of America are entitled to the sole and exclusive privilege of giving and granting their own money: that this involves a right of deliberating whether they will make any gift, for what purposes it shall be made, and what shall be its amount; and that it is a high breach of this privilege for any body of men, extraneous to their constitutions, to prescribe the purposes for which money shall be levied on them, to take to themselves the authority of judging of their conditions, circumstances, and situations, and of determining the amount of the contribution to be levied.

That as the colonies possess a right of appropriating their gifts, so are they entitled at all times to enquire into their application, to see that they be not wasted among the venal and corrupt for the purpose of undermining the civil rights of the givers, nor yet be diverted to the support of standing armies, inconsistent with their freedom and subversive of their quiet. To propose, therefore, as this resolution does, that the monies given by the colonies shall be subject to the disposal of parliament alone, is to propose that they shall relinquish this right of inquiry, and put it in the power of others to render their gifts ruinous, in proportion as they are liberal.

That this privilege of giving or of withholding our monies, is an important barrier against the undue exertion of prerogative, which, if left altogether without control, may be exercised to our great oppression; and all history shows how efficacious is its intercession for redress of grievances and re-establishment of rights, and how improvident it would be to part with so powerful a mediator.

We are of opinion that the proposition contained in this resolution is unreasonable and insidious: Unreasonable, because, if we declare we accede to it, we declare, without reservation, we will purchase the favor of parliament, not knowing at the same time at what price they will please to estimate their favor; it is insidious, because, individual colonies, having bid and bidden again, till they find the avidity of the seller too great for all their powers to satisfy; are then to return into opposition, divided from their sister colonies whom the minister will have previously detached by a grant of easier terms, or by an artful procrastination of a definitive answer.

That the suspension of the exercise of their pretended power of taxation being expressly made commensurate with the continuance of our gifts, these must be perpetual to make that so. Whereas no experience has shown that a gift of perpetual revenue secures a perpetual return of duty or of kind disposition. On the contrary, the parliament itself, wisely attentive to this observation, are in the establishment practice of granting their supplies from year to year only.

Desirous and determined, as we are, to consider, in the most dispassionate view, every seeming advance towards a reconciliation made by the British parliament, let our brethren of Britain reflect, what would have been the sacrifice to men of free spirits, had even fair terms been proffered, as these insidious proposals were with circumstances of insult and defiance. A proposition to give our money, accompanied with large fleets and armies, seems addressed to our fears rather than to our freedom. With what patience would Britons have received articles of treaty from any power on earth when borne on the point of the bayonet by military plenipotentiaries?

We think the attempt unnecessary to raise upon us by force or by threats our proportional contributions to the common defense, when all know, and themselves acknowledge, we have finally contributed, whenever called upon to do so in the character of freemen.

We are of opinion it is not just that the colonies should be required to oblige themselves to other contributions, while Great Britain possesses a monopoly of their trade. This of itself lays them under heavy contribution. To demand, therefore, additional aids in the form of a tax, is to demand the double of their equal proportion: if we are to contribute equally with the other parts of the empire, let us equally with them enjoy free commerce with the whole world. But while the restrictions on our trade shut to us the resources of wealth, is it just we should bear all other burdens equally with those to whom every resource is open?

We conceive that the British parliament has no right to intermeddle with our provisions for the support of civil government, or administration of justice. The provisions we have made, are such as please ourselves, and are agreeable to our own circumstances: they answer the substantial purposes of government and of justice, and other purposes than these should not be answered. We do not mean that our people shall be burthened with oppressive taxes, to provide sinecures for the idle or the wicked, under colour of providing for a civil list. While parliament pursue their plan of civil government within their own jurisdiction, we also hope to pursue ours without molestation.

We are of opinion the proposition is altogether unsatisfactory, because it imports only a suspension of the mode, not a renunciation of the pretended right to tax us: because, too, it does not propose to repeal the several Acts of Parliament passed for the purposes of restraining the trade, and altering the form of government of one of our colonies: extending the boundaries and changing the government of Quebec; enlarging the jurisdiction of the courts of Admiralty and vice-Admiralty; taking from us the rights of trial by a jury of the vicinage, in cases affecting both life and property; transporting us into other countries to be tried for criminal offences; exempting, by mock-trial, the murderers of colonists from punishment; and quartering soldiers on us in times of profound peace. Nor do they renounce the power of suspending our own legislatures, and of legislating for us themselves in all cases whatsoever. On the contrary, to shew they mean no discontinuance of injury, they pass acts, at the very time of holding out this proposition, for restraining the commerce and fisheries of the provinces of New England, and for interdicting the trade of other colonies with all foreign nations, and with each other. This proves, unequivocally, they mean not to relinquish the exercise of indiscriminate legislation over us.

Upon the whole, this proposition seems to have been held up to the world, to deceive it into a belief that there was nothing in dispute between us but the *mode* of levying taxes; and that the parliament having now been so good as to give up this, the colonies are unreasonable if not perfectly satisfied: Whereas, in truth, our adversaries still claim a right of demanding *ad libitum,* and of taxing us themselves to the full amount of their demand, if we do not comply with it. This leaves us without any thing we can call property. But, what is of more importance, and what in this proposal they keep out of sight, as if no such point was now in contest between us, they claim a right to alter our charters and established laws, and leave us without any security for our lives or liberties. The proposition seems also to have been calculated more particularly to lull into fatal security, our well-affected fellow subjects on the other side the water, till time should be given for the operation of those arms, which a British minister pronounced would instantaneously reduce the "cowardly" sons of America to unreserved submission. But, when the world reflects how inadequate to justice are these vaunted terms; when it attends to the rapid and bold succession of injuries, which, during the course of eleven years, have been aimed at these colonies; when it reviews the pacific and respectful expostulations, which, during that whole time, were the sole arms we opposed to them; when it observes that our complaints were either not heard at all, or were answered with new and accumulated injury; when it recollects that the minister himself, on an early occasion, declared "that he would never treat with America, till he had brought her to his feet," and that an avowed partisan of ministry has more lately denounced against us the dreadful sentence, "*delenda est Carthago;*" that this was done in the presence of a British senate, and being unreproved by them, must be taken to be their own sentiment, (especially as the purpose has already in part been carried into execution, by their treatment of Boston and burning of Charles-Town;) when it considers the great armaments with which they have invaded us, and the circumstances of cruelty with which these have commenced and prosecuted hostilities; when these things, we say, are laid together and attentively considered, can the world be deceived into an opinion that we are unreasonable, or can it hesitate to believe with us, that nothing but our own exertions may defeat the ministerial sentence of death or abject submission.

By order of the CONGRESS,

JOHN HANCOCK,
President.

Philadelphia, July 31, 1775.

There are lessons from July 1775 which are applicable to our circumstances today, and it would be wise for us to take cognizance of them as we continue our deliberations in these Chambers.

First. We can pursue two apparently divergent courses of action at the same time without them being counterproductive. It is obvious the Members of the Continental Congress knew what they were doing when they pursued both reconciliation on the one hand and prepared for separation on the other. They wanted reconciliation, but they knew realities might compel them to pursue separation. As a modern counterpart, we desire a relaxation of tensions in the world community—for example, détente with the Soviet Union, but we must be fully prepared for other contingencies until those desires become realities. The examples are manyfold.

Second. We must be patient in our attempts to coalesce support for matters of national importance. We must, as they did in letting John Dickinson have passed his olive branch petition, make sure that no large bloc of opinion is left out of the decisionmaking process, for to the degree it is, we have rendered that decision less tenable.

Third. Men of divergent interests and opinions were able to work together in a common cause on what they mutually supported and/or mutually opposed. We can see the shifts in factional memberships within the Second Continental Congress, and instead of being criticized as fickle opinion or sinister political realinements, they should be praised for almost superhuman ability to work together with those in whom one had seldom before found accord.

Fourth. Patience had another facet. They did not want to make abrupt changes in institutional processes and relationships. Those who wanted Independence wanted to make sure the peo-

ple were capable of sustaining it. This could not be done overnight or—given the poor communications of those years—over months or even years. It took time for people to adjust to the prospect of doing things a different way. Abrupt changes in policy and process can be counterproductive, and usually are. They sought to avoid that danger.

Last. We must be cautious as to ascribing motives to others. The motives of those who espoused reconciliation were, we know from the journals and the writings of Members of the Continental Congress, frequently questioned by the advocates of independence. Yet, their loyalty to the colonies, time after time, was shown. This House of Representatives has a rule against one Member ascribing motives to the other during Floor debate. It is a good rule.

The movement toward independence was now set fully into motion.

NEWARK TO HOST STATEWIDE PUERTO RICAN DAY PARADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 15 minutes.

Mr. RODINO. Mr. Speaker, next Sunday, July 27, the city of Newark will again have the honor of sponsoring the annual Puerto Rican Day celebration in New Jersey. The festivities will culminate in a grand parade which, as the sponsors very aptly state, "has become the rallying point of unity for the entire community throughout our State and metropolitan area."

I certainly want to commend the many New Jersey residents of Puerto Rican ancestry who have worked so tirelessly to make this special day a success. The Honorable Carmen Conway is president of the parade and Antonio Perez is chairman of the yearbook committee. Jose M. Le Bron has served as liaison and coordinator between the county and city and the Puerto Rican community. I want to extend felicitations to Miss Irma Furst, who will reign as queen of the parade and later represent the State of New Jersey in a beauty pageant in Puerto Rico.

A unique tribute is due to my very dear friend, Mrs. Marie Gonzalez. For some years she has not only been vitally involved in Puerto Rican Day events, but every day of every year has given dedicated service to the Puerto Rican community. As a member of the Newark Human Rights Commission, in countless ways she has represented the Puerto Rican community with outstanding ability and compassion, seeking ways to meet their needs and solve their problems.

Puerto Rican Day will be not only a joyous occasion, but one with a most laudable objective—the effort to raise additional funds for college scholarships for needy Puerto Rican students.

This year's celebration will be special for another reason, for it will be a prelude to a most significant cultural event. On September 12, the first annual Puerto Rican Heritage and Cultural Festival will be held at the Garden State Arts Center. Mr. Raul Davila has served as overall cochairman for this landmark occasion.

We all are probably most familiar with the achievements of Puerto Ricans in the fields of politics and sports. Many have been elected to State and local offices. We in the House are fortunate to have as our colleague HERMAN BADILLO, the first citizen of Puerto Rican heritage elected to Congress. He is not only an extremely able and conscientious representative to his constituents, but a dedicated advocate of measures for the betterment of all Americans. I particularly value his effective contributions to our work in the House Judiciary Committee.

There are many Puerto Rican athletes who have gained fame through their skill in such diverse fields as baseball, boxing, horse racing, golf, and tennis. Undoubtedly the most familiar to mainland citizens are the late, beloved Roberto Clemente and the great first baseman Orlando Cepeda. Both were honored by being named Most Valuable Player of the Year—Clemente in 1966 and Cepeda in 1967.

Mr. Speaker, I am particularly delighted that an annual festival will be initiated to display Puerto Rican cultural and educational contributions. Anyone who has visited Puerto Rico cannot have missed the rich and varied culture of the island. It is manifested in such formal ways as the Ponce Museum of Art, with one of the finest collections in Central and Latin America, and the Casals Festival. It is also represented by the rediscovery of folklore, handcrafts, and old music of the people.

Unfortunately, Puerto Rican accomplishments in literature, the arts, drama, and music are not as appreciated as they should be on the mainland. Few realize, for example, that the late New Jersey poet, William Carlos Williams, was the son of a Puerto Rican mother with strong ties to his mother's homeland. Not well known is Piri Thomas' autobiographical novel, "Down These Mean Streets," which brilliantly details the life of Puerto Ricans in the ghettoes of East Harlem.

In the entertainment world, there are distinguished artists of Puerto Rican heritage who come readily to mind—Chita Rivera, Rita Moreno, Jose Feliciano, and Jose Ferrer. Classical music in the United States has also been enriched by the contributions of basso Justino Diaz and concert pianist Jesus Maria Sanroma.

Although Puerto Ricans are latecomers to the U.S. mainland, it is evident from my brief description of their role in this country that they have already made outstanding contributions to American society. For too many, life on the mainland is an ordeal and struggle, since they are forced to start with low-paying jobs, poor housing, and the problem of cultural adjustment. But they are hardworking, ambitious, and proud citizens. It is perhaps sad that they have left their lovely homeland, but I am confident that in the years ahead they will increasingly become citizens of importance and prominence in all areas of mainland life and bring to us some of the beauty of life in the "jardin de flores" from which they came.

Mr. Speaker, I am proud of my constituents of Puerto Rican ancestry, and I am very privileged to number many of them as dear friends and supporters. I salute them all on this day of remembrance and celebration of their heritage to be commemorated July 27.

HOUSING

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

Mr. METCALFE. Mr. Speaker, I have been deeply disturbed by the failure of the section 518(b) housing program to meet the needs of those for whom it was enacted. The section 518(b) program reimburses people who purchased defective Federal Housing Administration—FHA—insured homes for the cost of correcting the defects. Enacted last year as part of the Housing and Community Development Act of 1974, the section 518(b) program has not lived up to its promises.

I am especially concerned about three shortcomings of the program. First, the application deadline was too short. Many eligible applicants would have been unable to complete the complicated forms in time, especially since the Department of Housing and Urban Development—HUD—took few steps to notify eligible homeowners and also delayed the issuance of applications to local HUD offices for 6½ months. Second, the program was restricted to FHA homeowners with one- and two-family unit structures, thereby rendering ineligible many FHA homeowners. Fortunately, Congress has rectified these first two shortcomings by passing Public Law 94–50, the Emergency Housing Act of 1975, section 302 of which both extends the application deadline to 19 months and expands eligibility to three- and four-family unit structures.

However, the third shortcoming has not yet been rectified. Presently, eligibility is restricted ta FHA homeowners who purchased their homes between August 1, 1968, and January 1, 1973, thus excluding many FHA homeowners who purchased their homes after January 1, 1973. As a result, today I am introducing legislation which would extend for an additional 2 years, up to January 1, 1975, the time period during which a mortgage had to be insured in order to qualify for the section 518(b) program. I am hopeful that Congress will act quickly in this matter so that these deserving homeowners will be able to correct defects, thus helping, in a small but important way, to make our deteriorating urban areas more attractive places in which to live.

SST NOISE ABOVE MEDICAL PAIN THRESHOLD IN ENGLAND LAST WEEK

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

Mr. WOLFF. Mr. Speaker, important and conclusive evidence against allowing the Concorde SST to land in the United States reached my office today. A series of newspaper clips from England on Concorde test flights last week re-

port in harrowing detail the incontrovertible fact that the British Government proponents of Concorde—and their deluded allies in our State Department and Federal Aviation Administration—have been misleading the citizens of both nations, and perhaps themselves, about Concorde noise.

Mr. Speaker, colleagues, the Concorde SST last week was measured scientifically for the first time by nonindustry scientists and public health officials. As many of us have predicted, the results were literally shattering. The clips I will submit for the RECORD tell the story far better than any words of mine, but I will point out that far from being "roughly similar" to present-day aircraft, as we were told during the SST debate of 2 weeks ago, the Concorde SST smashes through the minds and consciousness of innocent citizens at levels up to 40 decibels above the medical threshold of pain.

That is 40 decibels, and for those who think that is not much, let me point out that an increase of three decibels amounts to a 100-percent increase in effect. Mr. Speaker, there is no rational way to explain the difference between 90 decibels—the point at which doctors, and the noise control laws, step in to save human beings from harm—and the noise put out by the Concorde SST.

The difference can only be felt, and the innocent people of England felt it, indeed, last week as the actual physical fact of the Concorde flying overhead put the lie to those who would have us believe the Concorde could and should be tolerated anywhere—much less in or over the United States and her people.

As a slightly humorous but nonetheless serious sidelight to this issue, I will also submit news clips detailing the problems created by Concorde in the Middle East as it flew over on test flights.

The Government of Lebanon felt obliged to go on national radio to reassure a frightened populace that the pounding by Concorde as it flew overhead was not, in fact, the breakout of further hostilities in that troubled area. Following this announcement so humiliating to Concorde apologists, the Government of Saudi Arabia, not previously noted for its ecological concern, withdrew overflight rights for Concorde so they could study the effects of sonic boom.

Our Nation has wisely already acted in banning supersonic commercial flights over land, and I add these points today to show that the fears of environmentalists and others in this area, as in so many others, have once again been proven true—and the claims of SST apologists have once again been proven false.

Needless to say, there is literally no way on Earth the Concorde SST can or will meet the 108 EPNdB Federal Aviation Regulation part 36 noise standards being required of American aircraft, no matter how many fancy test-pilot tricks Concorde pilots may plan for John F. Kennedy Airport's noise measurement devices at the end of the runway.

Mr. Speaker, the shenanigans of our Government's ill-advised attempts to shield this House and the American people from the truth about Concorde have finally been exposed for all to see, and will be the subject of hearings this Thursday chaired by our distinguished colleague from Missouri (Mr. RANDALL).

While I plan to join with many of our concerned colleagues in testifying Thursday, I want to remind my colleagues from New York, New Jersey, and Connecticut that final power to ban Concorde from Kennedy rests with the Port Authority of New York and New Jersey.

Some months ago I received written pledges from our distinguished former colleague, Hugh Carey, now Governor of New York, and from Dr. William Ronan, chairman of the Port Authority, that the Concorde will never land in New York unless it can meet the noise and other environmental standards governing Kennedy.

While Kennedy presently allows in aircraft up to 112 EPNdB, or well above the FAR 36 limit, the evidence I will present from England clearly shows that there can be no further debate over whether or not Concorde will meet Kennedy's noise standards—much less the other environmental standards involved.

Accordingly I wish today to put the Port Authority on notice that I will lend every effort to help the citizens of Long Island and the Greater New York area prepare lawsuits to defend themselves from the attack of Concorde.

I know that the Port Authority has researched the issue of liability for noise damage suits carefully because of the threat of Concorde, and I know that the Port Authority's legal experts feel that should Concorde be allowed to land at Kennedy the Port Authority will assume liability for legal damages.

I am sure that the Port Authority shares with me a heartfelt desire to avoid this sorry state of affairs, and I call on the Port Authority to act swiftly and deny Concorde landing rights so as to once and for all remove this threat to the health and safety of our citizens.

Concorde cannot and will not be tolerated in the United States, Mr. Speaker, and it is bad enough that any citizens anywhere in the world are presently suffering under the SST's murderous pounding, as the following news stories from England so dramatically illustrate:

[From the London Times, July 13, 1975]

HUSH—IT'S ONLY CONCORDE

By the middle of last week, about 200 people had complained to the Department of Trade about the noise of Concorde after only three days of proving flights from Heathrow airport. The Department expects still more complaints by post.

That the number is so high is surprising. Inquiries last week suggested that it needed great patience to complain. Despite the critical importance of the trials, designed to simulate normal commercial flights, no one at Government level seems to have seen a need for special arrangements to monitor public reaction to the plane.

Moreover, what appear to be hasty changes in the customary system of receiving noise complaints have had the effect, of postponing, and possibly distorting, information on whether Concorde broke the Heathrow noise regulations.

The Department would not reveal whether or not Concorde broke the Heathrow noise regulations, on the grounds that it was "not proposing to issue individual figures for individual days."

This is also a departure from previous practice. When a Mr. Coffin complained about a Concorde take-off from Heathrow last October, he received a letter from the Department giving detailed figures of the aircraft's noise on take-off, and which concluded "so you will see it was well within the limits."

The significance of last week's flights compared with earlier tests at Heathrow and Gatwick is that they were conducted at what for all practical purposes was maximum gross take-off weight and on typically warm summer days—conditions which mean using full power on take-off and generating maximum noise. They provided the first opportunity for people living near Heathrow to test their experiences against the makers' claim that Concorde is only slightly more noisy than existing conventional jets.

On the evidence we gathered last week—from several Sunday Times writers as well as one complainant who told us that a BAA staff member at Heathrow agreed "the noise was terrible—wasn't it?" Concorde is very noticeably noisier than other jets. Most people remarked on how much longer the noise lasted, and observers at Dorking (18 miles) and Bromley (28 miles) were shocked by the noise, suggesting that Concorde has greatly extended the traditional Heathrow noise area.

These observations are nonscientific, but they are supported by the readings on the noise meter set up by Geoffrey Holmes, chairman of the Heathrow local authorities noise group, at Hatton Green, some three miles from the start of Concorde's take-off run.

The reading during Concorde's take-off on Monday on Holme's meter—placed in the middle of a residential area—were bad but on Tuesday, they were even worse. Prior to Concorde's departure, the noisiest take-off had been by a Trident which registered 108 decibels. Concorde's reading was 125.

"It's incredible," says Holmes. "But this is an exact fact." Such levels of noise, he says, are generally regarded as being above the threshold of pain. The group present at the Hatton Green meter find it hard to believe that Concorde was within the Heathrow noise limits.

Last week's flights did more than demonstrate Concorde's difficulty in meeting Heathrow noise rules. While no one can seriously believe that the British government will ban Concorde from operating at Heathrow, a concerted public protest from people around the airport will influence the vital American decision on whether to let Concorde fly into New York's Kennedy Airport. British Airway's managing director, Henry Marking, emphasized last week that London-New York is the most important and profitable route for Concorde.

The British Department of Trade is in an equivocal position. It is responsible for aircraft noise policy and its control, but also has to negotiate routes and flying rights for Concorde abroad. It certainly seems that some of the Department's officials are shaken by the reports of readings from the meter in Hatton Green.

Twickenham MP Toby Jessel has no doubts: "The British Government, to try to sell it, are pretending that it's quieter than it really is."

[From the London Guardian, July 9, 1975]

SAUDIS' BAN HITS PLANE

(By David Fairhall)

Concorde ran into trouble from an unexpected quarter yesterday when Saudi Arabia abruptly withdrew permission for the Anglo-French airliner to fly supersonically over its northern desert. Technicians and airline officials had boarded the aircraft at Heathrow Airport for the second of British Airways' route proving flights to Bahrein when the message came through.

According to the Department of Industry, the Saudis requested 48 hours in which to evaluate the effect of the sonic boom—a double bang heard on the ground shortly after the aircraft passes overhead—caused by Monday's flight. I was on that first flight myself and, as I recall it, we crossed the eastern shore of the Mediterranean just south of Beirut, cruising at about 60,000 feet at just over twice the speed of sound, before swinging south across Syria, Jordan, and the Saudi Arabian desert bordering Iraq.

Beirut Radio found it necessary to reassure listeners that the "explosion" heard in the city was caused by Concorde and not renewed fighting, so perhaps this prompted the Saudis temporarily to withdraw their permission. Another possibility being canvassed yesterday was that they wanted to use their "boom corridor" to bargain for airline traffic rights they are known to want, but there seems to be no substance in this.

In spite of some urgent diplomatic telephone calls between London and Jeddah, yesterday's flight to Bahrein was called off and Concorde took off later in the day—at 3:22 p.m.—for a circular flight half-way across the Atlantic and back. Today's proving flight, which was also supposed to have been to Bahrein and back, will be diverted in the same way. But a message from Jeddah yesterday evening gave permission for the planned British Airways test programme to be resumed on Friday, with a one-way flight to Bahrein. Concorde could have flown subsonically all the way to the Persian Gulf, but it would not necessarily have been a useful test and it would probably have been unable to get back to Heathrow before the 11 p.m. curfew.

The final explanation of the Saudi's sudden move may prove quite simple—that they were not fully aware of the proposed flight, because it was to have stopped in Beirut had the fighting not broken out there. But it is nevertheless a demonstration of the extremely delicate negotiation that has to precede Concorde's introduction into commercial service in the new year.

In Washington, eight Congressmen said they will seek a law banning the Concorde from flying to the United States. Complaining about its noise, the eight Democrats said they would seek a House of Representatives vote tomorrow to ban flights.

Their letter said the flights because of "the ear-splitting noise made by the Concorde on take-off," and the possibility of skin cancer if numerous supersonic flights damaged the ozone layer that protects the earth from the sun's rays.

[From the London Evening Standard Reporter, July 7, 1975]

CONCORDE ROARS INTO AN UPROAR

With an ear-splitting, ground-shaking roar the first of British Airways' Concorde fleet left Heathrow today. Behind, she left a mass protest at the "bloody unbearable noise."

Concorde was over an hour late for take off on her first airline condition-proving flight to Bahrein.

Five miles from the "point of roll" members of the Local Authorities Aircraft Noise Council waited with noise recorders.

For 90 minutes they monitored Tridents, Jumbos, Tri-Stars and VO–10s. The noisiest, a Trident, roared over to record a noise factor of 122. Concorde's ear-splitting roar clocked 136.

Then council chairman Mr. Geoffrey Holmes said: "That is equal to the noise of 30 Tridents all taking off at once.

"This Concorde noise level is impossible to live with. People cannot be expected to live here with this," he said.

Mr. Holmes was speaking from the grass-covered centre of Hatton Green—an estate of properties built 25 years ago to house the families displaced when Heathrow was built across Harlington Road. One of those displaced persons is Mr. Fred Wheatley, 68. After Concorde's passing he said: "For 25 years I've learned to live with aircraft noise.

"I don't see how anyone is going to live with that."

Mrs. Ethel Young, 95, is the oldest Hatton Green resident in an old people's bungalow. She said: "That was too terrible for words. It's awful. It's left me shaking."

Loudest and bluntest outburst of all came from Mrs. Gladys Morris, another long-term tenant who said: "I'm still shaking.

"They expect me to pay £8 81 a week for that bloody noise. This is too much. It's the end."

Mrs. Norma Thurgood has lived on Hatton Green for just 12 months. She said: "I wasn't expecting it and when Concorde went over it frightened the life out of me."

Mr. Geoffrey Holmes, who is also chief environmental officer at Reading, said: "The recording went right off the top of our equipment. Something has to be done. No one can expect people living round airports to tolerate that.

The British Airports Authority telephone switchboard at Heathrow received no complaints from local residents living under the airline's flight path.

A spokesman said: "No one complained—quite the opposite, in fact. Our switchboard has been inundated with calls from well wishers.

A NEW URGENCY FOR COMPREHENSIVE REFORM OF FOOD STAMP PROGRAM

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

Mr. MEZVINSKY. Mr. Speaker, recession has swollen the number of Americans needing food stamps to unprecedented levels, creating a new urgency for comprehensive reform of the Federal food stamp program. In the coming weeks we will be debating many vitally needed changes in food stamp certification procedures, designed to insure that those who need food stamps receive assistance promptly. But we must not stop there. The food stamp program is riddled with outmoded and unjust procedures and regulations, making fundamental reform imperative.

I am introducing legislation today designed to correct several basic inequities in the food stamp program. This bill is not meant to be comprehensive, but it does strike at three regulations which often deny the benefits of this program to the impoverished elderly, the handicapped, and the poor.

The first provision of this bill would eliminate a regulation which requires that a household have a kitchen in order to qualify for food stamps. That requirement works against many elderly citizens who have their main hot meal of the day at a senior citizens' center and use hot plates or eat cold meals at home.

This legislation would also allow elderly or handicapped food stamp recipients to use their stamps to pay for meals on wheels, a program which provides hot meals for individuals confined to their homes. Presently, a food stamp recipient must be both elderly and handicapped before "meals on wheels" can be paid for with the stamps.

Finally, this measure would prohibit the Department of Agriculture from including Federal housing assistance in its determination of a food stamp applicant's income level. Section 7(b) of the Food Stamp Act of 1964, limiting the cost of stamps to "30 percent of the household's income" clearly implies that "income" is that amount of money available to the family to buy food. Government housing assistance goes for rent, yet the USDA persists in calculating housing assistance as "income."

As long as such assistance is included in determining income levels it means that the poorer the family and the larger their housing assistance, the more they will have to pay for food stamps, and the more likely it is that they may not even be eligible for stamps. We must eliminate this "catch 22" predicament.

The House Agriculture Committee is currently preparing a report on needed changes in the food stamp program. It is my hope that the committee will recognize the inequities I have pointed out and move to correct them.

H.R. 8736—PRODUCT DEVELOPMENT AND IMPROVEMENT COSTS OF PUBLISHERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I have today introduced a bill to amend section 174 of the Internal Revenue Code of 1954 to make clear that product development and improvement costs of publishers are research or experimental expenditures and to prohibit the retroactive application of revenue ruling 73–395. The bill would make the technical change in the law required to make clear that the tax incentive to capital formation accorded by section 174 is to be available to publishers of books and similar products essential to the Nation's educational system.

Section 174 of the Internal Revenue Code, as enacted by the Congress in 1954, grants all business taxpayers alike the option to currently deduct research or experimental expenditures. However, in September 1973 the Internal Revenue Service published a ruling, revenue ruling 73–395—which purports to interpret section 174 in a fashion that would deny publishers—apparently even for all years beginning prior to publication of the ruling—the option to deduct expenditures incurred for the writing and editing of textbooks and the design and art work of visual teaching aids that occurred prior to the publication of the textbooks and the visual aid. This ruling held, for the first time, that such costs do not constitute research or experimental expenditures under section 174 of the code.

The new IRS ruling marks a departure from the Service's prior administrative practice of permitting current deduction of such expenditures by book publishers who chose to employ that method of tax accounting. The IRS ought not be allowed, through this attempted reversal of its prior administrative practice, to penalize those publishers whose reliance on continuation of that practice led them to commit themselves to make substan-

tial expenditures for the development or improvement of their products.

The bill would make it clear that the recent Service ruling does not reflect the intent of Congress when it enacted section 174 in 1954. The reports of the House Ways and Means Committee and of the Senate Finance Committee which accompanied section 174 upon its enactment in 1954 explain that the purpose of section 174 was to "eliminate uncertainty and to encourage taxpayers to carry on research and experimentation." There is no suggestion in these reports that section 174 would not apply to the costs of research and experimentation necessary to develop products of book publishers, such as textbooks, reference books, visual aids, and other teaching aids, merely because the taxpayer's business is publishing or because the teaching aid or other product of a publisher is in the form of a printed book rather than in the form of a mechanical device. Section 174 should not be interpreted to discriminate against book publishers in the business of developing or in improving reference books, teaching aids or other products.

The bill applies only to expenditures paid or incurred by a taxpayer in connection with his trade or business of publishing. It does not apply to other taxpayers, such as authors.

The expenditures covered by the bill include the costs of writing, editing, compiling, illustrating, designing, and other costs of developing and improving books, teaching aids, and similar products, such as texts published in microfilm. These costs include the costs of the specifically named activities and other activities properly characterized as development or improvement, but do not include the taxpayer's cost of printing or manufacturing books, teaching aids, or similar products.

The Treasury regulations—section 1.174–2(a)(1)—provide that the term "research or experimental expenditures" includes "generally all such costs incident to the development of a product and the improvement of already existing property of the type mentioned." There is no sound reason for discriminating against book products or publishers. Although the Treasury regulation also provides that the term "research or experimental expenditures" does not include expenditures "for research in connection with literary, historical or similar projects," this regulatory exclusion should be confined to its proper scope, for example, to preclude the amateur novelist from deducting his essentially personal expenses in the guise of business research expenses. The regulatory exclusion is no longer necessary because the judicial decisions since 1954 make it clear that section 174 applies only to the development or improvement of products related to a trade or business of the taxpayer.

It should also be pointed out that for nontax financial statement purposes, publishing companies generally charge such expenditures against current income and do not capitalize or otherwise defer such charges. Such an accounting practice, consistently applied over a period of time, clearly reflects income. In revenue ruling 73–395, therefore, the IRS imposes tax accounting concepts on the publishing industry that are at variance with sound financial accounting concepts. Indeed, to require a change in such practice at this time would result in a distortion of income.

Legislative reversal of the revenue ruling will entail no measurable revenue loss. It will merely reaffirm more than 30 years of consistent tax audit experience. Failure to reverse the ruling, however, by denying publishing companies a current deduction for editorial salaries and other similar expenditures, may produce tax revenue from a source never intended by Congress.

I would like to emphasize that the amendment to section 174 of the Internal Revenue Code applies only to taxable years ending on or after the date of the enactment of the bill.

The bill is not retroactive. For taxable years ending before the date of the enactment, the bill merely applies a "do not disturb rule." Under this rule the Internal Revenue Service is prohibited from compelling a change in the method of tax accounting for any expenditure covered by the bill which was treated consistently from year to year under the taxpayer's method of accounting for Federal income tax purposes. This "do not disturb rule" applies to prohibit any such change in an "open" year whether or not the taxpayer has been audited. On the other hand, if claim for credit or refund is barred for the year of the change by any law or rule of law, the bill does not override the bar to provide relief.

Mr. Speaker, it is my hope that the Committee on Ways and Means, and ultimately the Congress, will act promptly in passing this meritorious legislation.

ALL OF US WANT OUR POW'S/MIA'S ACCOUNTED FOR

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 Vietnam war was an agonizing period in the history of this country. Hopefully, we have learned some lessons. Our task now is to bind up the wounds of the Nation. In doing so, we must not forget those Americans who are still serving their country in Vietnam. We must not forget our POW's and MIA's.

I am a cosponsor of the Montgomery resolution calling for a House Select Committee on the POW/MIA issue. This resolution is supported by conservatives and liberals alike. Whatever one's position on the war was, all Americans are united in their desire to see all those who served in Vietnam accounted for. This fact should not be ignored.

LEGISLATION TO AMEND SOCIAL SECURITY ACT

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

Mr. BEDELL. Mr. Speaker, I am today introducing legislation which is designed to eliminate the present quarterly system of wage reporting by employers required by the Social Security Act. This bill would amend the Social Security Act and the Internal Revenue Code of 1954 to allow the Secretary of the Treasury and the Secretary of Health, Education, and Welfare to consolidate wage reporting requirements to the Social Security Administration and the Internal Revenue Service.

At present, Federal reporting requirements are placing an intolerable and unjustifiable burden on American small business. Comprehensive hearings conducted by the Subcommittee on Government Regulation of the Senate Small Business Committee over the past several years have revealed that Federal paperwork costs small businessmen more than $18 billion annually. And, this figure, as incredible as it may seem does not tell the whole story. It does not reflect the time in man-hours and loss of productivity that businesses incur as a result of Federal reporting requirements.

The main objective of the bill I am introducing today is to lessen the current Federal paperwork burden which falls so heavily on American small business. Its adoption would make it possible for the Social Security Administration to abolish form 941, the Employers Quarterly Federal Tax Return, which runs employers an estimated $235 million a year in clerical and accounting costs.

Under this bill, form 941 could be replaced by an annual form which would be sent directly to the Internal Revenue Service. The information provided by the IRS form would then be forwarded to the Social Security Administration for their official use.

This legislation is very similar to several other proposals, authored by Senator THOMAS J. MCINTYRE of New Hampshire, which have already passed the Senate. In fact, this basic idea was adopted by the Senate as a floor amendment to other legislation on three separate occasions during the 93d Congress. Unfortunately, it was never accepted by the House. Senator MCINTYRE is also introducing this bill in the Senate today.

In addition, Secretary of the Treasury, William Simon, and Secretary of Health, Education, and Welfare, Caspar Weinberger, are both proponents of the annualization of wage reporting to the Social Security Administration. They stated their position in a joint letter to Representative AL ULLMAN, then acting chairman of the House Ways and Means Committee, last December. I will submit a copy of this letter for inclusion in the RECORD upon the conclusion of my remarks.

In my view, there can be little question that the existing Federal reporting system needs a major overhaul. It has grown too large. It is the height of bureaucratic futility.

I do not question the need for a reporting system. What I do question is the need for all the information which is currently required by the Federal Government. The increased number of reports required as well as the complexity of these reports is placing undue stress on the operation of small firms.

The time has come to take action to relieve the paperwork burden which the Federal Government currently places on

small business. Adoption of this legislation would constitute a significant step toward that end.

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., December 31, 1974.

Hon. AL ULLMAN,
Acting Chairman, Committee on Ways and Means, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Congress (in P.L. 93-490) directed the Secretary of the Treasury and the Secretary of Health, Education, and Welfare to study the effect of a change from quarterly reporting of wages for social security purposes to a combined annual wage reporting system for social security and income tax purposes and to submit a joint report on the study to the Congress.

The enclosed joint report of the Departments of Health, Education, and Welfare and of the Treasury considers two major approaches to annual reporting. One approach is to require annual reporting of annual wages; the other would provide for annual reporting of annual wages with a quarterly breakdown. The report sets out the administrative changes that would be required under each approach and also contains a discussion of the effect of annual reporting on the cost of the social security program, on the administrative responsibilities of the Social Security Administration and the Internal Revenue Service, on employers, and on social security beneficiaries.

The Departments of the Treasury and Health, Education, and Welfare support legislation which would institute a system of annual reporting of annual wages such as the system described in the enclosed report (rather than annual reporting of quarterly wages) and are prepared to assist in drafting legislation to provide for such reporting.

Sincerely,

CASPAR W. WEINBERGER,
Secretary of Health, Education, and Welfare.

WILLIAM E. SIMON,
Secretary of the Treasury.

Enclosure.

AUTOMOBILE EFFICIENCY STANDARDS

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

Mr. SHARP. Mr. Speaker, this week the House will complete action on H.R. 7014. A major provision of this legislation deals with a program of mandatory standards for improvements in the fuel efficiency of automobiles manufactured after 1978. The House has already adopted an almost identical proposal during consideration of H.R. 6860 by a vote of 306 to 86, and its inclusion in this legislation now before us will serve to increase the likelihood of constructive action in this area.

Certain questions have been raised about the goal specified in H.R. 7014 for the year 1985 and beyond. The report issued by the committee refers to studies and documentation to support this figure. For the benefit of my colleagues and for the RECORD, I would like to submit for your attention the following memorandum, drafted by the staff of the Subcommittee on Energy and Power to support the target of 28 miles per gallon as a production-weighted average to be required of all manufacturers by 1985. The figure is in the upper range of all the numbers mentioned for potential improvement in a variety of studies, conducted both in and out of the Government, but, as you will note in the memorandum, it certainly is reasonable and feasible in light of the data now at our disposal.

Recognizing that we are dealing with a changing technology, and that there may be unforeseen events that could interfere with the ability of the industry to meet the specified 1985 goal, the bill provides for the administrative modification of the 1985 standard to insure flexibility.

Yearly reports are required from the administering agencies on the ability of the industry to meet the specified standards, including the target 28 miles per gallon in 1985, and they are required to submit recommendations should other legislation be needed.

The section of H.R. 7014 mandating fuel efficiency improvements was drafted to allow the industry enough lead time to phase in expected improvements and to provide for flexibility should it become impossible to meet the mandated goals beyond 1980. The legislation was drafted after extensive research and consultation with the appropriate Government agencies, as well as studies conducted for the Congress by the Department of Transportation and the Environmental Protection Agency and studies by private consulting firms.

At this point, I would like to insert in the RECORD the memorandum prepared for the members of the Subcommittee on Energy and Power entitled "Automobile Efficiency Standards":

JULY 21 1975.

MEMORANDUM: AUTOMOBILE EFFICIENCY STANDARDS

To: Honorable John D. Dingell, Members of the Subcommittee on Energy and Power

From: Peter Hunt

The target 1985 auto efficiency standard of 28 MPG was judged realistic on the following basis:

1. LEAD TIME

The nine-year lead time was considered sufficient for the automobile industry to develop, test and introduce:

(a) more efficient power plants
(b) automobile body configurations of lower aerodynamic drag
(c) automobiles of lower inertial weight
(d) more efficient drive trains
(e) other technical improvement

2. MODEL OF ANALYSIS

The model assumed for testing the feasibility of the 1985 standard was a 50/50 split between what are now called standard/intermediate and compacts/subcompacts and the following mileage estimates were as follows:

	Compact/subcompact (50 percent mix)			Standard/intermediate (50 percent mix)		
Phase of use	Urban	High-way	Total/average	Urban	High-way	Total/average
Percent	55	45	100	55	45	100
Mileage per gallon	30	38	33.145	21	28	23.657

Note: Overall average mileage, 27.6; Rounded, 28 mpg.

3. CURRENT EXPERIENCE

A. Standard/Intermediate: There are two luxury automobiles available today that more than meet the estimated mileage requirements of the above model. Both are diesel powered and of foreign manufacture.

Manufacturer	Model	Mileage Urban	EPA 1975 High-way	EPA 1975 Aver-age	Percent above standard/intermediate required in 1985
Mercedes Benz	240 D	24	31	26.7	+13
Peugeot	504 D	27	35	30.1	+27

B. Compact/Subcompact: In reference to the compact/subcompact there are also automobiles of foreign manufacture on the road today that approach the estimated mileage requirements for 1985.

	Urban	*Highway*	*Average*
Datsun 210	27	39	31.3
Honda	27	39	31.3
Audi Fox	21	34	25.4
Rabbit	27	38	28

4. THEORETICAL ANALYSIS

A. Rand Corporation: The Rand Report Summary titled "How to Save Gasoline" provides support to the practicality of the 1985 target. On page 8 of that summary it is stated:

Implication Number Five: Our automobile design analysis indicates that automobiles with new technology, but with the same acceleration and interior space characteristics as today's standard size cars, could achieve over 25 mpg, while subcompacts could achieve over 40 mpg. If a fuel economy standard is to be legislated, this finding suggests that the average range of 16 to 20 mpg standards, in recently proposed legislation,[1] is perhaps unnecessarily low.

Comment: Any fuel economy standard legislated should be written to include the improvements in efficiency attainable by equipping all new cars with radial tires and by minor aerodynamic redesign of new auto bodies, as well as improvements possible with new technology and/or a shift to small cars. Our findings suggest that an average new car fuel economy standard between 21 and 38 mpg is feasible, depending on the alternatives assumed as the bases for the standard.

It seems reasonable that the most general mandate is to be preferred among regulatory policies aimed at improving new car fuel economy, although our analysis does not lead directly to such a conclusion. A more general mandate would reduce the risk of not achieving a given level of gasoline savings and result in a more diverse product mix, offering wider consumer choices in acceleration, comfort, and roominess. In attempting to meet the fuel economy standard, one auto company may choose new technology, another may choose to shift more rapidly to small cars, and still another may choose some combination of the two. Consequently, a more general mandate is likely to result in some production of large cars with very efficient advanced engines and transmissions, and some production of small cars with relatively less efficient and more conventional engines. However, compared with a policy of mandated weight or technology change, a fuel economy standard implies greater uncertainty in other impacts, such as user cost, overall energy conservation, and the transportation service characteristics of new cars.

B. EPA/DOT: The joint EPA/DOT analysis entitled "Potential for Motor Vehicle Fuel Economy Improvement" gives further theoretical support for the realization of this target 1985 mileage. The following figure (not reproduced) relates within a limited spectrum of assumptions mileage

[1] See, for example, "Motor Vehicle Fuel Economy Act," Senate Bill S. 1903, introduced by Senator Hollings, 93rd Congress First Session.

improvements to the weight of passenger automobiles.

Although the report contains disclaimers as to the practicality of reaching the theoretical limit, it should be noted that the analysis is limited by:

(1) Low power to weight ratio automobiles were excluded.

(2) The analysis was limited to the current conventional spark ignition internal combustion engine.

(3) The size sales mix of 1974 (assumed).

All of the above factors are subject to revisions that could increase the fuel economy by 1985 beyond the upper curve of the "theoretical limit for conventional engines—i.e.:

(1) Shift to lower power to weight ratios.

(2) Shift to more efficient engines—note table 7 of the same report indicates a significant incremental improvement if turbocharged Diesels were to be used. (full size + 50%, mid size + 45%, small size + 35%).

(3) Shift sales mix to smaller cars.

5. CONCLUSION

In light of the preceding, the 28 MPG target for 1985 would seem a realistic goal for our domestic automobile industry to reach by 1985.

WESTINGHOUSE PROGRAM BOOSTS MINORITY SUPPLIERS

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, since coming to the House of Representatives I have tried to be an advocate for the small business community, in general, and the minority business segment, in particular. The services provided by minority businessmen are often overlooked for reasons that are as numerous as they are frequently biased, racist, and ridiculous. Unfortunately, corporate America has been in the forefront of those who would deny the minority businessman a chance to prove his worth.

However, Mr. Speaker, I would be in error to suggest that all of our country's larger enterprises have totally neglected the minority entrepreneur. Some forward strides have been made. Some companies have recognized that the products and services to be provided by minority businessmen are equivalent in quality and usefulness to products and services provided by non-minorities.

When such a significant and meaningful effort is made by one of the larger corporations in our Nation, I feel that such an effort is noteworthy of the attention of my colleagues. Therefore, I commend to my colleagues the strides made by the Westinghouse Defense and Electronic Systems Center in my home State of Maryland in increasing its use of minority suppliers to the better of the entire business community:

WESTINGHOUSE PROGRAM BOOSTS MINORITY SUPPLIERS

We've all heard a lot about the current sad state of the economy. Especially hard hit have been firms owned by minorities. The troubles are so serious that some observers say the future looks bleak for the black capitalism movement.

Despite the gloomy statistics, despite soaring black unemployment, one Baltimore firm is waging an intensive campaign to buck the downward economic trend—the Westinghouse Defense and Electronic Systems Center, Maryland's second largest private employer.

The campaign being waged at Westinghouse is aimed specifically at expanding its pool of minority suppliers—and the campaign is meeting with noteworthy success.

Westinghouse has undertaken a series of positive steps to let the black community know that it is in the market to do business with them.

And as a result of these extra efforts, momentum is building fast and the payoff is being translated into concrete results, says N. V. Petrou, president of the Westinghouse Defense and Electronic Systems Center (DESC).

For example, during 1974 the DESC increased its minority business activity to include 33 vendors and more than $504,000 in contract awards. This compares to just five minority suppliers and $21,000 in business volume the previous year.

Westinghouse's minority business projections for the current year are to increase the number of suppliers to in excess of 75 and the amount of business to approaching $1 million. And according to Mr. Petrou, the company is on target for the first five months of the year.

"When we are dealing with minority suppliers—people who themselves are exploring and blazing new trails—we are providing not only employment, but an opportunity for men and women who in years past may have had no such opportunity—and little hope," Mr. Petrou said.

Westinghouse inaugurated its intensified minority supplier program in February, 1974 by sponsoring a Minority Business Conference in downtown Baltimore, to which minority firms throughout the East Coast were invited to meet personally with company procurement representatives and top management officials to discuss possible business arrangements. More than 300 minority business people from 170 companies attended the conference, which resulted in providing Westinghouse with many important new sources of minority suppliers.

Since the conference, Westinghouse has established minority suppliers committees at each of its major plant locations. These committees meet monthly to monitor program goals and objectives. The committees are comprised not only of purchasing representatives but key personnel from operations, manufacturing, engineering and administration—in short, any department involved either directly or indirectly with procurement activities. In addition, quarterly joint meetings composed of top management and the three committees are held to discuss the overall progress of the program on a multi-divisional basis and to share ideas and suggestions for greater coordination in making the overall effort more successful.

Some of the specific steps that have been taken by Westinghouse to expand the base of minority suppliers include:

An information exchange program with other corporations which have achieved an outstanding record in expanding their minority business programs.

Continued participation in minority suppliers exhibits and trade fairs, locally and throughout the country when appropriate.

Active involvement in such organizations as the Baltimore Resources Center, the Voluntary Council, the Baltimore Minority Purchasing Council, the Federal Executive Board and the business Resource Centers located in the mid-Atlantic states, the East Coast and in Washington, D.C. among others.

An advertising program is currently being prepared by DESC to provide additional support and visibility to its minority suppliers' program and specifically what types of products and services Westinghouse is looking for.

As of the end of May of this year, Westinghouse had already contracted 62 minority suppliers for a total of more than $423,000 in contracts and at that pace is sure to surpass its 1975 minority supplier program objectives.

With the proper attitude, dedication and involvement throughout the total organization, Mr. Petrou said he felt the Westinghouse program is proof that mutually successful relationships between minority suppliers and industry can be established, even if it is not the best of economic times.

CONGRESSMAN STRATTON RELEASES 1974 TAX RETURNS AND CURRENT NET WORTH STATEMENT

Mr. STRATTON. Mr. Speaker, I have long favored a fuller financial disclosure by Members of Congress and other public officials than is presently required by law or the rules of the House. In accordance with a practice I began last year, I am therefore once again making public the 1974 income tax returns of my wife and myself, plus a statement of our net worth as of July 1, 1975:

1974 JOINT FEDERAL TAX RETURN OF SAMUEL S. AND JOAN H. STRATTON

Three dependent children: Kevin, Kim, Brian.

Wages, salaries	$42,500.00
Dividends	None
Interest income	101.83
Other income (capital gain on sale of horse; excess of travel reimbursement over travel cost)	79.00
Total of above	42,680.83
Less adjustments to income (net impact of congressional expenses vs. congressional reimbursements)	363.17
Adjusted gross income	42,317.66
Itemized deductions:	
Medical	150.00
Taxes (local, State real estate, etc.)	5,137.11
Interest expenses	2,026.94
Contributions	327.00
Miscellaneous (congressional office expenses over allowances)	140.00
Total	7,781.75
Gross income less deductions	34,535.91
Exemptions (5)	3,750.00
Net taxable income	30,785.91
Federal tax due	8,186.50
Less tax credit for political contribution	5.00
Total Federal tax	8,181.50
Federal tax withheld	8,630.40
Tax refund	448.90
1974 tax rebate received	100.00
Total	548.90
Total 1974 tax (less rebate)	8,081.50
Total taxes paid, 1974:	
Federal	8,081.50
New York State	3,550.94
Maryland real estate tax	1,045.01
Total	12,677.45

NET WORTH OF SAMUEL S. AND JOHN H. STRATTON, AS OF JULY 1, 1975

ASSETS

Cash on hand and in bank accounts	$4,227.69
Cash value of life insurance	888.64
Accumulated dividends on life insurance	366.00
Home—Bethesda, Maryland (estimated market value)	80,000.00
Government bonds (cash value)	1,637.50
Automobiles (est.):	
1970 Ford	1,275.00
1969 VS	1,125.00
Sailboat (est.)	300.00
Furniture, clothes, personal possessions, etc. (est.)	3,800.00
Accumulated contributions in congressional retirement funds (available only for retirement purposes)	40,843.38
Total assets	134,463.21

Notes on assets:

1. Home purchased in 1965 at $42,600.
2. Amsterdam residence is a rented apartment.
3. Term life insurance held: $55,000 (Federal Employees Term Life Insurance).

LIABILITIES

Accounts payable	$1,407.11
Notes (National Bank of Washington)	2,900.00
Mortgage on Bethesda home	28,230.00
Total liabilities	32,537.11

COMPUTATION OF NET WORTH

Assets	$134,463.21
Liabilities	32,537.11
Net worth	101,926.10

BLOODLESS HOLOCAUST

(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, Nobel Prize winner Alexandr Solzhenitsyn is one of those rare individuals who was allowed to leave Russia rather than being sent to Siberia after disagreeing with Communist philosophy and policies. Since leaving Russia, he has been much more outspoken in opposition and the Russians are probably wishing they could get their hands on him again. It is fortunate for the Western World that he is now free to talk. His statements make a lot of sense. They also convey a warning that the free world should heed.

One of his essays has been discussed in a brilliant way by Sea Power for July 1975. It is entitled "Bloodless Holocaust." Mr. Solzhenitsyn says that America's concern on how to prevent World War III comes too late; that it is all over and that we lost. Sea Power's comments on Mr. Solzhenitsyn's statement are well worth reading and thinking on. I submit it for reprinting in the CONGRESSIONAL RECORD:

BLOODLESS HOLOCAUST

From an American point of view, the most urgent national security question of the past three decades has been how to prevent World War III.

Now Nobel prize winner Aleksandr I. Solzhenitsyn, author of "The Gulag Archipelago," tells us—in an essay in the French newspaper Le Monde (translation in the 22 June New York Times), that it is already over.

We lost.

Most Americans won't believe it. But it's true.

We don't think like the Communists do. We believe that a World War must by definition include a shooting confrontation between the world's major political and military powers. We, who pride ourselves on our ability to "judge by results," have been judging by appearances.

The Communists judge by results, and by their standards they have won. Solzhenitsyn is right.

Consider the evidence.

At the end of World War II the United States was, for all practical purposes, the supreme military, political, and economic power in the world. We did not want to be, perhaps, but we were. And we had a monopoly on atomic weapons. The Russians, who even then we knew were potential future adversaries, possessed an excellent and combat-tested army and air force, and abundant but still largely untapped natural resources. But their economy was shattered, their land devastated, their industrial capacity all but wiped out. They had lost 20 million people in the war. Countless other millions already languished in slave labor camps scattered across the broad bleak expanse of Siberia, and would soon be joined by millions more—from the USSR itself, as well as from the conquered nations of Eastern Europe—in the terrible vengeful aftermath of World War II.

The Soviets never stopped fighting. We did. We believed that, because there was no more open bloodshed, there was no more war.

We were wrong, as we can judge from the results of 30 years of unending Soviet war against the West.

Solzhenitsyn ticks off the Soviet gains: Yugoslavia, Albania, Poland, Bulgaria, Rumania, Czechoslovakia, Hungary and East Germany.

But those countries were lost in the first few years after the war, someone objects, before the Marshall Plan, before NATO, before the countries of the West realized what was happening and rebuilt their own armies and navies to stop further Soviet aggression.

Very well. Objection sustained. Strike those countries from the record—as they have, in fact, already been stricken, by the Soviets, from the record of once-free nations.

But the Solzhenitsyn litany goes on: ". . . immense, populous China . . . North Korea, Cuba, North Vietnam, and now South Vietnam and Cambodia; Laos is about to go; Thailand, South Korea, and Israel are threatened; Portugal is leaping into the same abyss. Finland and Austria await their fate with resignation. . . . It is impossible to mention all the small African and Arab countries that have become the puppets of Communism, as well as so many others, even in Europe, that must submit in order to survive."

If the leaders of the Soviet Union had made an open declaration of war against the United States in 1945 their gains could not have been greater. Had they made such a declaration, in fact, their gains would be non-existent. Knowing we were in a war we would have fought back. And we would have won. Of that we are morally certain.

We were comfortable. We wanted to believe we were at peace, and the whole world was at peace.

But ours was the comfort of the coffin, our peace the peace of the dead.

Not dead in body. That would be too easy.

Dead in spirit.

We did not lose the will to survive. But we had indeed lost something more important, the will to struggle. Without that will, there is no survival.

We once were far and away the most powerful nation in the world—more powerful at the time than any nation had been before us in all of recorded history, by every standard of measurement except one: the power of will. And that power cannot really be measured.

We are still powerful in many respects. Now our power is limited. We are vulnerable in many ways.

But that very vulnerability may carry within it the seeds of renaissance. The realization of our vulnerability may give birth to determination. If we regain our determination, of national will, there is still hope.

"There is no longer any point in asking how to prevent World War III," Solzhenitsyn concludes his essay. "We must have the courage and lucidity to stop the Fourth. Stop it we must; not fall to our knees as it approaches."

DESERVED RECOGNITION FOR GENERAL JAMES

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, it is with pride that I bring to the attention of the House the fact that a good friend and a constituent, Gen. Daniel James, Jr., of Pensacola, Fla., has joined the list of those who have shared the high privilege of receiving their fourth star in the U.S. Armed Forces.

Chappie James is the first black man in the history of the U.S. military to be nominated for four-star general. As a full general in the Air Force, he will assume command of the North American Defense Command in Colorado Springs, one of the most important military assignments in the Nation.

His has been a long and dedicated career. A graduate of Tuskegee in Alabama, he entered the U.S. Air Force for pilot training. In Korea, as an Air Force captain, he flew 101 combat missions. He bailed out once, was picked up by helicopter and was back in the air flying the same day. Later, as a colonel, James flew in 78 missions in combat in Vietnam and led the 8th Tactical Fighter Wing. On one sweep over Hanoi, his force destroyed seven Mig's, the highest total kill of any mission during the Vietnam war. On another day, he flew back to Thailand with 52 holes in his plane.

He won his first star in July 1970 under the sponsorship of former Defense Secretary Melvin R. Laird, who recognized his great abilities and his staunch loyalty to America. He has subsequently filled a number of important assignments and is now vice commander at the Military Airlift Command, Scott Air Force Base, Ill.

I want to commend Chappie James for a record of outstanding service to his country, and I am very proud of the recognition that he has received.

General James is one of those dedicated individuals who has enjoyed a successful career in the armed services, but he also has demonstrated a great love and patriotic support for our country by his public statements. This has placed him in great demand as a speaker throughout the Nation. I am proud in being able to claim him as a friend and as a constituent of the First District of Florida.

Congratulations, Chappie James, to you, and to the highly respected family of which you are a member.

ADMINISTRATION POWER PLAY

(Mr. OTTINGER asked and was given permission to extend his remarks at this

point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, it appears as though the administration, which has proved itself insensitive to the plight of the unemployed and the individual taxpayer during the course of our economic problems of inflation and recession, has now endorsed a program of tax subsidies for utilities in which the burden will again fall upon the taxpayer.

The program was devised by the President's Labor-Management Advisory Committee to help utilities overcome their economic troubles of higher operating costs due to the surge in oil and coal prices, the high cost of borrowing money, and the high cost of construction. Members of the Advisory Committee included the chairman of General Electric, one of the Nation's largest suppliers of electric generating and transmission equipment, a major builder of utility plants, and the heads of some of the largest corporate users of electric power in the Nation.

It is not surprising that the program put forward by the Advisory Committe and endorsed by the President does not call for the revision of electric rates to make large users pay their fair share of the costs of electricity instead of having the taxpapers subsidize the large users as the President proposes.

I am inserting in the RECORD an article written by James P. Gannon that appeared in the Wall Street Journal on July 15, 1975, which sets forth a very good analysis of this situation.

The article follows:

POWER PLAY IN WASHINGTON

(By James P. Gannon)

WASHINGTON.—Labor power. Big business power. White House power. Pork barrel power. Put them all together and you have Washington's big electric power play of 1975.

That's partly pun, but the subject isn't funny. It is no laughing matter when big corporations and big unions together concoct a scheme to siphon $600 million a year from the U.S. Treasury, sell the idea to the President, and then get the Secretary of the Treasury to set aside his principles and act as their special-interest lobbyist in Congress.

That is what's happening, though, under the Ford administration's latest tax proposal, a measure designed to improve the financial health of the electric utility industry and to stimulate construction of more power plants to meet future needs for electricity.

Those are, no doubt, worthy goals. But in proposing a new tax subsidy to help achieve them, the administration has embraced means which contradict its rhetoric, undercut its budget policy, violate its economic philosophy and substitute a hurriedly designed plan for a more fundamental solution to the problem. Furthermore, the utility "crisis" which the new tax plan is designed to relieve shows every sign of dissolving without new federal aid.

It is undeniable that electric utilities have had plenty of troubles lately. Their operating costs exploded last year with the spectacular surge in oil and coal prices; their borrowing costs soared with the 1974 climb in interest rates; their plant-construction costs were bloated by double-digit inflation; their financial pinch was compounded by Wall Street's lack of enthusiasm for utility stocks and bonds. By the end of 1974, the squeeze of these circumstances had many utility executives crying "uncle," or, more specifically, "Uncle Sam."

The plea fell upon some sympathetic ears in the Ford administration. White House economic aide L. William Seidman began pushing the utilities' cause in inner councils, not unmndful of the fact that several of the power companies in the most dire shape were back home in Michigan, where he and friend Jerry Ford come from. Some Federal Energy Administration aides joined the cause. But other officials were cool to a federal bailout for utilities. Prominent among these was William Simon, the Treasury Secretary, who has argued often and eloquently against federal subsidies for special interests.

SHUNTED TO SECRETARY DUNLOP

Somehow, while administration officials still were divided over the issue, it got shunted to a new debating forum: the President's Labor-Management Advisory Committee. This is a 16-man group of union and management bigwigs headed by Labor Secretary John Dunlop, who has a well-earned reputation as a master of backroom bargaining. While the labor-management panel considered the utility problem in private, Mr. Dunlop began talking in public about the plight of the utilities and the prospect of future "blackouts" due to lack of generating-plant capacity.

The labor-management committee agreed in May on a program to aid the utilities. Its key elements are tax advantages. Though Congress in March raised the investment tax credit for utilities to 10% from 4% for 1975 and 1976, the union and business leaders urged a further permanent increase to 12%. The panel also proposed that utility stockholders be allowed to defer taxes on dividends taken in the form of additional shares of stock, and that power companies be allowed more liberal depreciation rules and fast five-year write-off of pollution control facilities. Beyond the tax area, the panel urged, among other things, a relaxation of environmental restrictions on utilities and a speedup in approvals for nuclear plant projects.

The President in June endorsed the recommendations of the panel. Then he thanked the union and company officials for their work "in the national interest."

It is instructive to note the membership of this panel that devised what now is Ford administration policy. It includes Reginald H. Jones, chairman of General Electric Co., one of the nation's largest suppliers of electric generating and transmission equipment, whose sales and profits would benefit from more utility plant construction. It also includes Stephen D. Bechtel Jr., chairman of the Bechtel group of companies, one of the major builders of utility plants. Other management members include the top officers of General Motors Corp., Aluminum Co. of America, and U.S. Steel, whose plants are among the nation's largest users of electric power.

On the union side, the key man is George Meany, president of the AFL–CIO, whose union affiliates in the construction trades are suffering unemployment rates in excess of 20%. The heads of the Teamsters and Steelworkers are members too, and they are naturally concerned that power shortages in the future might threaten plant shutdowns or layoffs.

There is nothing illegal, immoral, or even unethical about a union leader or company executive urging the government to pursue policies that will benefit his interests. That is natural. But it's surprising that the President should ask such a group to devise tax policy on utilities. The results are as predictable as they would be if he asked homebuilders and real estate salesmen to devise his national housing policy, or big-city mayors to draw up his plan for urban aid.

Swallowing his earlier reservations, Treasury Chief Simon now is urging Congress to pass the utility-aid tax bill in hurry-up fashion. He was almost apologetic in outlining the narrow-interest legislation to the House Ways and Means Committee last week. The proposals, he told the lawmakers, "are probably not the same proposals we would advance if we had the luxury of more time, a less critical problem, and the realistic possibility of an overall solution to our country's economic problems." But, he said, "we must be practical and must act, and act quickly." The proposals, he noted pointedly, "have the support of both business and labor." Furthermore, he said, they would provide jobs (which is a magic word in Washington in these days of recession) and help reduce foreign oil imports.

No wonder Mr. Simon felt a bit sheepish. Here is the man who derided public-works jobs programs as "pure pork barrel," merchandising a private-sector pork barrel as a job-creating program. Here is the man who personified resistance to budget deficits, urging Congress to allow a $600 million addition to the red ink this fiscal year, and more in future years. Here is the man who is quick to praise free enterprise and to condemn government handouts, promoting a fast cash transfusion from Treasury to the corporations. Here is the man who demands fundamental, long-range solutions to economic problems (such as the fiscal crisis in New York City) proposing a quick-fix for utilities, because there just isn't time to devise a more considered response.

Some Congressmen asked embarrassing questions. If we give this special tax break to the electric utilities, won't lots of other industries demand equal treatment? Can the Treasury afford this revenue loss in a period of record deficits? If the utilities need more money, shouldn't they get it from their customers instead of the taxpayer? Mr. Simon's wobbly answers boiled down to saying that the utilities were a special case, an exception to his rules.

MR. BRANNON'S OPINION

The utility tax proposals "are a permanent response to a temporary problem," in the opinion of Gerard Brannon, a former Treasury tax specialist who recently analyzed the proposals for Tax Analysts and Advocates, a tax research organization. He wrote: "If inflation, interest rates and fuel costs are bugging the utilities now, will the new tax giveaways be repealed when the market problems abate? You should live so long! Crises are the usual cover for enacting 'reliefs' in the tax law that will be pure rip-offs when the crisis is gone."

The utility "crisis" may be passing already. Utility profits have begun rising again; First National City Bank's first-quarter survey found combined profits of 81 utilities up 20% from the fourth quarter and up 12% from a year earlier. Interest rates have fallen sharply in the past six months, so borrowing costs are lower. Inflation is cooling. Utility stock and bond prices have risen in Wall Street's big 1975 rally, so utilities are again able to raise money in the markets. Most important, fuel escalation clauses are helping power companies recoup higher oil costs from their customers, and state rate-setting agencies are granting faster, bigger rate increases.

But even if the short-term crisis is passing, it's true that utilities face formidable long-term challenges. They will require enormous amounts of capital to build all the facilities needed to power a growing economy in the decade ahead. But the U.S. Treasury isn't the right place to get the money.

The long-run solution to the industry's financial needs is higher rates, as Mr. Simon himself has said repeatedly. The utility customer—including big industries such as GM, Alcoa and U.S. Steel, which currently benefit from outmoded volume-discount rates—ought to pay the bill, not

the taxpayer. Tax subsidies, in fact, may only undermine energy conservation by helping keep rates artificially low.

The full cost of providing power ought to be evident in people's and companies' electric bills, not partly hidden in their tax bills. Then, if your power bill seems too high, you can throw away your electric toothbrush or turn down the air conditioner. But once the power companies plug in at the Treasury, you won't be able to switch them off.

THE SECRET DEALS OF THE OIL CARTEL

(Mr. JOHN L. BURTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JOHN L. BURTON. Mr. Speaker, as we debate our national energy policy and seek solutions to the energy crisis, I think it important for us to be aware of the history and circumstances which have brought us to where we are today.

To paraphrase William Shakespeare, "The fault, dear constituents, lies not in our selves, but in our oil companies."

As the accompanying articles from New York magazine effectively illustrate, the real villians behind the skyrocketing gasoline prices were seven international oil companies that control most of the world's refineries, petroleum transport, and marketing facilities.

This is a story that begins with an oil strike near the ruins of the ancient Mosque of Solomon in western Persia and ends with the Yom Kippur war and the establishment of OPEC. It is a story of secret deals and multibillion dollar industries operating without checks or balances.

Mr. Speaker, I believe that these articles may serve as a primer for Members on the history of oil development in the Middle East, and as a background of foreign and domestic politics against which we now consider the direction of America's energy program.

The text of the articles follow:

THE SECRET DEALS OF THE OIL CARTEL: HOW SEVEN COMPANIES CARVED UP THE WORLD—PART I

(By Edward Jay Epstein) *

Although the black, sticky, combustible substance has been known since Biblical times, the commercial development of oil began less than a century ago in the United States. As late as 1920 almost two-thirds of the world's oil was still produced in the United States and was used to fuel most of the world's ships and cars, heat homes, and provide asphalt and chemical materials for roads. After World War I, other great world powers set out to develop their own reserves of oil in the newly conquered territories in the Middle East. Eager to preserve its dominant position, the United States encouraged the American combines to seek Middle East concessions too, even if it meant accommodation with British, French, and Dutch interests.

What emerged in the next half-century was an international oil cartel. The cartel controlled almost all the oil of the Middle East and more than two-thirds of the world's supply. The seven international oil companies which constituted this combination—Exxon Corporation, Mobil Oil Corporation, Texaco, Inc., Gulf Oil Corporation, Standard Oil Company of California, British Petroleum Company Ltd., and the Royal Dutch-Shell Group—also controlled most of the world's refineries, petroleum transport, and marketing facilities.

To be sure, the "cartel" was not a single entity with a board of directors or even unified operations. It was defined, rather, by a loosely knit set of arrangements which effectively restricted the exploration and production of oil around the world, allocating to each member a fixed share of existing and potential markets. It set world oil prices low enough to discourage independent companies from competing with the cartel but high enough to assure the cartel members a profit.

Its world-wide operations were coordinated by committees in New York and London and by secret meetings and correspondence. Since the most lucrative concessions in the Middle East and South America were owned by joint companies in which cartel members participated in varying combinations, it was possible to assure that the cartel always had sufficient information to restrict supply so that it dovetailed with projected demand. The cartel participants, moreover, "pooled" their shipping and refining facilities, thereby achieving maximum efficiency among themselves and preventing effective competition.

Although decisions by the cartel members critically affected the everyday life of the population of most of the industrialized world, no organized account of the cartel and its supranational maneuvers is to be found in the standard histories of the oil companies or in the biographies of their founders. What follows is based on investigation originally done in 1952 by the Federal Trade Commission, which, in turn, led to an investigation by the Department of Justice and the assiduous development of an antitrust case against the American members of the cartel. In 1954 the antitrust case was suppressed by the Eisenhower administration on the ground of national security. Twenty years later, the Senate Subcommittee on Multinational Corporations, chaired by Senator Frank Church, reopened the investigation and declassified many of the pertinent documents, thus allowing a reconstruction of at least the highlights in the operations of the international oil cartel.

What caused the present-day energy crisis? With vast untapped pools of oil scattered under three continents, why in 1973 did large parts of the world suddenly seem in danger of being denied adequate supplies of oil at a reasonable price? Why did the industrial nations allow themselves to become dependent on Middle Eastern oil instead of developing the reserves under the North Sea and Alaska? How did the Organization of Petroleum Exporting Countries gain control over the oil resources the companies once called their own?

To understand these issues and to explain the concentration of power now in the hands of OPEC, the new cartel, it is necessary to go back to the development of the old.

MAY 1908; RICHES IN THE RUINS

An oil strike which stank of sulfur near the ruins of the ancient Mosque of Solomon in western Persia radically altered the geopolitics of the modern world. Until then almost two-thirds of the world's oil was produced in the United States and refined or controlled by John D. Rockefeller's Standard Oil Company.[1] Europe's only other major sources of paraffin, kerosene, gasoline, asphalt, and other vital petroleum products were the oil fields at Baku in Russia, developed by the Rothschild and Nobel interests, vulnerable to revolution and civil strife, and the oil development by the Royal Dutch Company in the Dutch East Indies, halfway around the world.

Facing "oil starvation," as Winston Churchill, then first lord of the admiralty, put it, the British government decided to support with money and troops the exploration efforts of financier William Knox D'Arcy (who shrewdly managed to obtain a 60-year concession from the shah) in Persia. After D'Arcy's crew struck oil, the British government, under strong pressure from Churchill, bought the controlling interest in the new enterprise, which was called the Anglo-Persian Oil Company.[2] Within five years of the strike, one of the world's largest oil refineries was constructed on the island of Abadan at the mouth of the Persian Gulf, and with Persian oil at its disposal, Britain became—along with America—a major power in oil.

OCTOBER, 1918: BETRAYAL IN DAMASCUS

During the First World War, Britain continued its quest for hegemony over the strategic oil of the Middle East. On the eve of the war, preliminary geological surveys had indicated that vast reserves of oil were trapped in limestone formations not only in Persia but throughout the Arab territories adjacent to the Persian Gulf, which were still part of the moribund Turkish Empire. As soon as Turkey entered the war on the side of the Germans, Britain sent a message to Mecca through Lord Kitchener informing Hussein, grand sherif of Mecca and the spiritual leader of the Arabs, that His Majesty's government would recognize Hussein as caliph of an independent Arab nation if the Arabs would aid the allied cause by revolting against the Turks. In 1916, after prolonged negotiations with the British on the boundaries of the Arab State, Hussein began the Arab revolt with a successful attack on the Turkish garrison in Mecca. The British dispatched Lawrence, then a lieutenant, to advise Prince Faisal, Hussein's son. In a campaign of stunning and unexpected victories, the Arab forces captured the railhead at Damascus and cut off the Turkish Army still fighting in Egypt and Palestine.

When General Allenby commander of the British Army in the Levant, reached Damascus, it soon became clear that the British were not about to recognize an independent Arab nation in the Middle East. For even while Lawrence was reassuring Faisal, Sir Mark Sykes of the British Foreign Office and M. Georges Picot of the French Foreign Ministry concluded an agreement which divided all the Arab territories between British and French spheres of influence. In the allies' projected map of the Middle East, England would have direct rule over part of Palestine, the oil-rich Persian Gulf, and eastern portions of Iraq; France would establish a protectorate in parts of Turkey, Syria, and Lebanon. Between the British "red" zone and the French "blue" zone, semi-independent Arab countries would be carved out, but would remain under either British influence (zone B) or French influence (zone A). The oil interests, represented by Sir John Cadman of Anglo-Persian Oil, were not completely satisfied with the Sykes-Picot Agreement.

In December, 1918, Prime Minister Lloyd George renegotiated the agreement with Premier Clemenceau, and France ceded control over all the oil of Iraq, including Mosul, in return for a 25 per cent share of the profits of Turkish Petroleum Company, which Britain was establishing to exploit Arab oil (Anglo-Persian Company and Royal Dutch-Shell were to have the controlling interest). Clemenceau also agreed to cede control over all of Palestine to Britain. Thus, at the Peace Conference at San Remo in 1920, Prince Faisal witnessed the division between Britain and France of the Arab territories for which

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Footnotes at end of article.

he had fought. Despite its prior promises of an independent Arab caliphate, Great Britain was not about to relinquish control over the vast oil deposits of Arabia.

JULY, 1928: THE RED LINE AGREEMENT

After World War I, American oil companies did not willingly accept exclusion from the vast oil reserves of the Middle East by the British and the French. They pressed the Department of State to intervene on their behalf, and through the release of highly dubious projections of an imminent oil shortage, they managed to arouse concern about what was to be the first of several "energy crises." Thus, in January, 1920, the U.S. Geological Survey warned that "the position of the United States in regard to oil can best be characterized as precarious." This was followed by a spate of authoritative stories in the press predicting that the United States would totally run out of oil by 1925 and thereupon be totally dependent on Britain for its supply. With public fears conveniently rising, the State Department began quietly to negotiate with the British Foreign Office on behalf of the American oil companies. America's participation in the war, the State Department argued, gave it some rights to the fruits of victory in the Middle East. Britain finally relented under pressure and agreed to give American companies a share of the Turkish Petroleum Company, which held valuable concessions in Iraq. Under the negotiated arrangement, Exxon, Mobil, and Gulf would receive 23.75 per cent of the stock;[3] Anglo-Persian and Royal Dutch-Shell (both British-owned) would receive 47.5 per cent; the Compagnie Française des Pétroles (owned by French interests) would receive 23.75 per cent; and the remaining 5 per cent would be retained by Calouste Sarkis Gulbenkian, the Armenian financer who had founded the prewar Turkish Petroleum Company (and fused into it the Shell, Royal Dutch, and Rothschild interests).[4]

There was a catch, however. To prevent continued competition in the search for and development of Middle Eastern oil, Gulbenkian and his British partners insisted on a "self-denial" clause, by which the partners—Exxon, Mobil, Gulf, Anglo-Persian, Royal Dutch, and Compagnie Française—would agree not to develop independently any oil resources in a large portion of the Arab territories. When the oil companies, meeting in Ostend, failed collectively to agree on the exact boundaries of the area to be excluded from future development by each of them individually, Gulbenkian marked a large area with a red line (see map) and said, "That was the Ottoman Empire which I knew in 1914. And I ought to know. I was born in it, lived in it, and served it. If anybody knows better, carry on." All the participants accepted the red line as the boundary (the State Department tacitly endorsed its acceptance by the American companies) and the framework was set for the development—and nondevelopment—of Middle Eastern oil.

Years later, David I. Haberman, one of the prosecutors in the Department of Justice's aborted case against the oil companies, was to testify: "[P]revention of competition was the sole purpose of many of the principal provisions of [the Red Line Agreement]."

The present nation states within the Red Line are:

Yemen Arab Republic.
Saudi Arabia.
Jordan.
Israel.
Lebanon.
Syria.
Turkey.
Iraq.
United Arab Emirates.
Oman.
Peoples Democratic Republic of Yemen.
Cyprus.
Qatar.
Bahrain.

SEPTEMBER, 1928: THE GROUSE SHOOT

Less than two months after the Red Line Agreement was signed, the heads of the three most powerful oil combines in the world met in Achnacarry, Scotland—under the pretext of shooting grouse—and arranged to eliminate most of the remaining competition within the world's burgeoning oil industry. The proximate cause of the meeting was a price war in India between Royal Dutch-Shell and Standard Oil of New York which, though settled, demonstrated that free competition could easily lead to the collapse of existing oil prices. Whereas the Red Line Agreement precluded competition in the production of Middle Eastern oil, it didn't deal with the problem of competition for markets. Thus, at Sir Henri's castle at Archnacarry, the "Big Three" laid the basis of a cartel which would control the marketing of the world's oil. The basic means for accomplishing this was the "As Is" principle, under which all agreed that all present and future markets would be divided among them exactly according to the shares of world markets they held in 1928. This meant, in effect, that no matter what concessions or geographic advantage any one company obtained, its share of the market would remain constant, and there would be no competition between them (and whatever other companies joined the "As Is" arangement). The outcome of these negotiations was an unsigned document which specified principles for eliminating "destructive competition" and creating, as one Department of Justice lawyer subsequently testified, "a grand policy blueprint for a corporate world government of the petroleum industry. . . ." The Achnacarry meeting was followed by a Venezuelan arrangement whereby a "conservation board" set production limits and which, under the guise of oil conservation, enforced cutbacks in Latin American production to maintain world prices and "stability." "As Is" committees were set up in both New York and London to administer the necessary production quotas and to coordinate distribution of the world's oil. Through the efforts of these two "committees," the cartel controlled virtually every aspect of the production, refining, and marketing of the bulk of the world's oil for the next decade.

DECEMBER 1931: AN "OPEN DOOR" TO SHUT OUT COMPETITION

Even though the Red Line Agreement had successfully prevented the development of oil in a large part of the Middle East, including Saudi Arabia, an uncontrollable spate of oil strikes in Texas, Venezuela, and Russia confronted the cartel with the specter of a gigantic glut of oil in the early 1930's. When Gulf Oil, which was largely owned and controlled by the Mellon family, attempted to gain a concession in the British protectorate of Kuwait (which had been specifically excluded from Gulbenkian's red line), it further threatened the "stability" of world oil prices, since Kuwait was sitting atop what was perhaps the world's largest and most accessible oil pool. (The ruling sheik had already received considerable "baksheesh," including a $4,000 Sunbeam convertible, from Gulf's intermediates.) But the British Colonial Office, under pressure from Anglo-Persian Oil, sought to disqualify the concession that Gulf was negotiating on the ground that mineral rights in British colonies were restricted to British subjects and corporations. Gulf, not without influence in Herbert Hoover's Washington, asked the State Department to intervene. In response, Secretary of State Henry L. Stimson telegraphed instructions to Ambassador Mellon in London—of the same family holding a major interest in Gulf—to invoke the "Open Door" policy. Supposedly, the "Open Door" policy was instituted to allow free competition among American and foreign firms overseas, but the arrangement that Mellon negotiated with British Foreign Secretary Simon for Gulf Oil in Kuwait had quite the opposite effect. Whereas the final 1933 agreement gave Gulf and Anglo-Persian each 50 per cent of Kuwait's resources, it gave Anglo-Persian (and the British government, which owned a controlling interest in it) virtually complete control over the schedule for developing the vast oil pool. Moreover, it bound Gulf not to use its share of Kuwaitian oil to compete with Anglo-Persian, or attempt to change the existing division of the world market. Thus, the Achnacarry "As Is" agreements were further extended to Gulf and Kuwait. To compensate Gulf for restricting production from Kuwait, Anglo-Persian furthere agreed to sell to Gulf crude oil from its Persian fields at the same price Kuwaitian oil would cost. In keeping with the cartel's policy of reducing the "glut," Anglo-Persian avoided drilling major wells in Kuwait until after Word War II (and Guf agreed to resell a share of its oil to Royal Dutch subsidiaries, thereby maintaining the status quo). The "Open Door" was thus used by Mellon and British interests to shut out competition.

AUGUST, 1933: GOLD SOVEREIGNS FOR A SHIEK

While the Red Line Agreement prevented the participants from competing among themselves for the oil within the restricted area, it did not stop outsiders from competing with the cartel. Thus, in 1928, Standard Oil Company of California, after failing to find oil in Mexico, Venezuela, Ecuador, the Philippines, and Alaska, moved as a last resort into the Middle East, and purchased the concession from Gulf to explore the Arabian island of Bahrain. (Gulf, a signer of the Red Line Agreement, could not itself develop its Arabian concessions.) The discovery of low-cost crude on Bahrain turned the attention of Standard Oil of California to the domes of Saudi Arabia—only twelve miles from the Bahrainian domes which had spouted oil. For a small cash consideration, Harry St. John Philby—a sometime British agent and Ford dealer in Saudi Arabia with close connections to Shiek Abdullah, who was finance minister to King Ibn Saud—agreed to quietly negotiate a concession for Standard Oil of California while at the same time reassuring British interests that the concession had no chance of being granted. (Philby apparently needed the money for the education of his children—among them Kim, who in World War II and several years thereafter continued the family tradition of double-agentry.) Ibn Saud, not trusting Westerners fully (though Philby had converted to Islam), demanded that the down payment for the concession be in gold sovereigns. And though Dean Acheson, then under secretary of the Treasury, turned down Standard Oil's request for permission to export gold, its agents obtained the gold in London and secretly shipped it to Jeddah to consummate the deal.

While it immediately became clear that Saudi Arabia possessed immense reserves of oil, Standard Oil of California had virtually no ready market for it, given the neat division of existing world markets by the cartel. Thus, in 1937, Standard Oil of California gave a 50 per cent interest in its Arabian concession to Texaco, which had been given a fixed share of the Far Eastern markets in return for subscribing to the "As Is" agreements. Subsequently, after World War II, as Arabian oil became the most important reserve of oil in the world, further shares were given to Exxon and Mobil in which was now called the Arabian-American Oil Company (ARAMCO). In return, Standard Oil of California and Texaco received a large share of the cartel's quota for marketing oil.

Exxon became concerned that its market share in Europe might be threatened by the

Footnotes at end of article.

ARAMCO concession. It therefore offered to share its superior market in Europe with the ARAMCO partners—Standard Oil of California and Texaco. In return Exxon would get a share of ARAMCO.

Although there was at first considerable doubt on the part of some executives of ARAMCO, they finally decided that a guaranteed share of the European markets would be more profitable than competition or even a price war with Exxon. ARAMCO was thus expanded to include two more American participants: Exxon and Mobil.

As matters turned out however, Mobil and Exxon were more interested in reducing the threat of Arabian oil to their market (by restricting ARAMCO's production) than they were in allowing the original ARAMCO partners a share of their markets.

1939: THE USES OF DRY HOLES

The world depression plunged the price of oil in the 1930's to 10 cents a barrel and the plethora of new discoveries in Texas and the Mexican Gulf made it imperative for the international cartel ruthlessly to suppress oil production elsewhere. The Iraq Petroleum Company (IPC) which controlled the Middle Eastern oil within the boundaries of the Red Line Agreement thus drilled a series of persistently unproductive dry holes in northern Iraq and Syria from 1929 to 1939 even though one of the largest pools of oil in the world was discovered in southern Iraq in 1928.

The mystery of these dry holes was clarified by a Federal Trade Commission investigation in 1952 which found by subpoenaing the secret files of the American members of the cartel that IPC engineers in Iraq were specifically instructed to drill exploratory wells only in formations which geological surveys indicated had virtually no possibility of yielding oil. As IPC's general manager in Iraq put it "We have been steadily complying with the letter of the Mining Law by drilling shallow holes on locations where there was no danger of our striking oil. . . ."

Thus, IPC could both conform to its obligations to the Iraq government in drilling a set number of exploratory wells each year and, at the same time, be assured of not discovering oil and thereby adding to the problem of oversupply.

The FTC's finding, and the documents from the archives of the American participants in IPC which supported it, were censored from the commission's report on grounds of "national security." The same technique of "dryholing" also allowed Anglo-Persian Oil to avoid developing Kuwaitian oil (which was discovered in 1938) until after World War II. Indeed, until the outbreak of hostilities in World War II closed down most of the oil fields of the Middle East, the main activity of the cartel, reflected in reports from its London and New York coordinating committees, was to systematically avoid the "discovery" or development of more Middle Eastern oil. Its chief worry remained "glut."

FEBRUARY 14, 1945: RENDEZVOUS ON GREAT BITTER LAKE

The cartel's control over the world's oil supply was seriously threatened in 1945 by the accelerated development of the immense oil reserves of Saudi Arabia by Standard Oil of California and the Texas Company, which were not restricted by either the Red Line or the Achnacarry agreements. During the war, Britain attempted to undermine the American concession there by sending a detachment of troops (under the pretext of battling the Arabian locust) and by promising King Saud financial aid. The American companies appealed to Washington for help on the ground that Arabian oil would become increasingly important as American reserves were depleted. Roosevelt was persuaded. He declared that "the defense of Saudi Arabia is vital to the defence of the United States," extended lend-lease aid to King Saud, and warned Churchill not to interfere with American interests in Arabia. He further set up, under the strong influence of Secretary of the Interior Harold Ickes, a government-owned corporation to finance a pipeline from the Persian Gulf to the Mediterranean and also acquire a large share of the concession itself. The government takeover of Arabian oil was quietly but effectively undermined by the oil companies, however.[5] Subsequently, financial aid to King Saud was provided by a tax device whereby oil companies would pay increased "taxes" to Saudi Arabia, but then would be allowed to deduct the full payment as a "tax credit" from the amount of taxes they owned the U.S. Treasury. In effect, the oil companies simply laundered aid to Saudi Arabia from the U.S. government.

Roosevelt met King Saud on his return from the Yalta Conference to make the American interest in Saudi Arabia abundantly clear—to Britain as well as to King Saud. When Saud raised the issue of Palestine, F.D.R. promised that the U.S. government would not change its policy on Palestine without prior consultation with both the Jews and the Arabs. American hegemony over Arabian oil was thus achieved. Two months later, Roosevelt died (and in 1948 his successor, Harry Truman, recognized Israel).

THE CARTEL AT ITS ZENITH

As the 1950's began, the seven global corporations that comprised the oil cartel, the "seven sisters," accounted for more than one-half the world's crude production (outside Russia and her satellites), two-thirds of the world's privately owned tanker fleet, more than half the world's refining capacity, and dominated "downstream" marketing of petroleum products.

The cartel's control of Middle Eastern crude was almost absolute. Following is the list of major oil concessions there as of 1950. The list, based on FTC studies, shows the oil companies involved and their respective shares of each concession's output.

IRAN

[In percent]

Concessionaire: Anglo-Iranian Oil Co., Ltd., owned by:	
British Government	56
Royal Dutch-Shell	22
Various individuals	22
Total	100

SAUDI ARABIA

[In percent]

Concessionaire: Arabian American Oil Co., owned by:	
Standard of California	30
Texaco	30
Exxon	30
Mobil	10
Total	100

BAHRAIN, QATAR

[In percent]

Concessionaire: Bahrain Petroleum Co., owned by:	
Standard of California	50
Texaco	50
Total	100

CYPRUS, LEBANON, TRANS-JORDAN, SYRIA, IRAQ, TRUCIAL OMAN, DHOFAR OMAN, ADEN PROTECTORATE HADRAMUT

[In percent]

Concessionaire: Iraq Petroleum Co., owned by:	
Royal Dutch-Shell	23.75
Anglo-Iranian (see above)	23.75
Compagnie Française des Pétroles	23.75
Exxon	11.875
Mobil	11.875
Calouste Sarkis Gulbenkian	5.00
Total	100.00

KUWAIT

[In percent]

Concessionaire: Kuwait Oil Co., owned by:	
Anglo-Iranian (see above)	50
Gulf	50
Total	100

The Iraq-Saudi Arabia "neutral zone." Concession rights were held by the Iraq Petroleum Co. and Arabian American Oil Co., each of which had 50 per cent.

The Kuwait-Saudi Arabia "neutral zone." Concession rights were held by American Independent Oil Co. and Pacific Western Oil Co., each of which had 50 per cent.

AUGUST 11, 1953: THE FLIGHT OF THE SHAH

The oil cartel had taken full advantage of wartime allocations administration in both Washington and London to consolidate its control over the world's markets, and by 1951, it had grown so powerful that not even the sovereign governments that supplied it with most of its crude could successfully defy it. Thus in the spring of 1951, when Prime Minister Mossadegh of Iran unilaterally nationalized the concessions and facilities of the Anglo-Iranian Oil Company, the British company withdrew its technicians (as well as key parts) from the Iranian wells and refineries, and other cartel members refused to supply Iranians with either tankers or markets for their crude oil. The cartel was able to compensate for the loss of Iranian oil by increasing production in Iraq and Africa, but Iran was deprived of almost half of its national revenues, and was forced to close down its single largest industry. Mossadegh asked help from America, but the State Department tactfully refused. Dean Acheson, secretary of state in the outgoing Truman administration, subsequently explained that even if the U.S. government wanted to cross Britain—and the oil cartel—and restore Iranian oil production, it would still "require the cooperation of the major American oil companies, who alone, aside from Anglo-Iranian, had the tankers to move the oil"—and that "cooperation" would not be forthcoming in these circumstances.

The National Security Council thus decided in 1953 that the impasse in Iran could be resolved only by returning control of Iranian oil to the major oil companies in America and Britain, which meant in effect that Prime Minister Mossadegh, who was becoming increasingly nationalistic, would have to be removed from power by one means or another. That same spring, Allen Dulles, director of the Central Intelligence Agency and brother of John Foster Dulles, secretary of state in the new Eisenhower administration, went for a "holiday" in Switzerland where he met in his rented villa with Loy Henderson, the U.S. ambasador in Iran; Princess, Ashraf, the shah's twin sister; and Kermit Roosevelt, a specialist in clandestine activities for the CIA. In the course of those secret meetings at the villa, a scenario was worked out for a change of power in Tehran. On August 6, 1953, National Security Council Action Memorandum 875b ordered a "solution which would protect the interests of the free world in the Near East" (and instructed the attorney general to drop, in effect, pending antitrust actions against cartel members so that they could act in concert in Iran).[6] On August 10, the shah sent an emissary on the futile mission of officially dismissing Prime Minister Mossadegh from office.

Mossadegh retaliated, as expected, by arresting the emissary and denouncing the shah, who departed the following day for Rome to await the outcome of events. In Tehran, the departure of the shah signaled a series of "spontaneous" uprisings against the Mossadegh regime which were generously assisted, if not perpetrated, by CIA operatives. The Iranian Army, also in contact with the CIA, immediately moved into Tehran to restore "order," and arrested Mossadegh.

On August 24, the shah returned to his capital, where he received a tumultuous welcome.

The overthrow of Mossadegh planned in Switzerland that spring had been achieved without bloodshed, but the restoration of the shah did not nullify the nationalization of Iran's oil. Indeed, the shah (with American backing) was not about to return the concession to Anglo-Iranian Oil) which had changed its name to British Petroleum after the nationalization). The "American solution," worked out by Herbert Hoover Jr., called for a consortium of international companies—dominated by Exxon, Shell, Gulf, BP, Socal, and Texaco—to operate Iran's oil industry and to turn over to Iran a share of the profits. The consortium would supply BP with the amount of oil it produced from Iran before the nationalization. After some negotiations, the shah accepted the "consortium" arrangement as a means of relieving Iran's economy, by then in a desperate shambles. The consortium agreement among the participants contained, however, a secret "Clause 28" which, in effect, allowed the cartel members to limit or reduce Iranian production to maintain prices or relative market shares.[7] Thus, despite a de jure "nationalization," the cartel managed to maintain de facto control over the production of Iranian oil.

FOOTNOTES

[1] In 1911, the Standard Oil Company was reorganized by antitrust decrees into five major corporations: Standard Oil of New Jersey (now known as Exxon); Standard Oil of New York (which merged with the Vacuum Oil Company and is now Mobil Oil); Standard Oil of California (or Socal); Standard Oil of Ohio; Standard Oil of Indiana; and Marathon Oil.

[2] The company changed its name to Anglo-Iranian Oil in 1935 (when the shah renamed Persia Iran), and to British Petroleum in 1954 (soon after Iran nationalized the British concession), or simply BP. For clarity and consistency, oil companies in this story are in most cases referred to by their present names.

[3] Gulf eventually sold its share to Exxon and Mobil.

[4] Turkish Petroleum Company was subsequently changed to the Iraq Petroleum Company, or IPC.

[5] Financing was provided subsequently by Exxon and Mobil, which were then given a share of the Arabian-American Oil Company.

[6] The criminal antitrust case against Exxon, Mobil, Texaco, Gulf, and Socal was subsequently downgraded to a civil case settled by consent agreement.

[7] The secret clauses were made public in 1974 by the Senate Subcommittee on Multinational Corporations chaired by Senator Frank Church.

THE SECRET DEALS OF THE OIL CARTEL: THE RESISTIBLE RISE OF OPEC—PART II

(By Edward Jay Epstein)

In 1928, the three giants of the still young oil industry—Exxon (then known as Standard Oil of New Jersey*, controlled by Rockefeller interests), Anglo-Iranian Oil (controlled by the British government), and Royal Dutch-Shell (controlled by British banking interests)—combined into a supranational cartel to avoid a spiral of "destructive competition" for the world's oil markets. The basic "As Is" Agreement between the heads of the three companies worked out at Achnacarry Castle in Scotland required that they act in concert to preserve the existing division of markets, and maintain the "as is" ratio in new and developing markets. Moreover, to achieve maximum profitability and to restrict competition from outsiders, the Big Three agreed to pool their resources and provide one another with refined products from the most proximate refinery (hence, the Pool Agreement).

Through joint ownership agreements, in which other companies allowed the Big Three to control production and marketing decisions, the cartel gained complete control over the oil concessions of Iraq, Kuwait, and Venezuela, where in times of "oversupply" they could cut exploration and production. To gain a share of the market, Gulf, Mobil, Texaco, and Standard Oil of California joined the "As Is" cartel. By 1959, the "Seven Sisters," as the cartel members came to be known, controlled not only most of the oil fields outside the United States but also the refiners, pipelines, and tankers.

Although the actions of the seven companies appeared to grossly violate American antitrust laws (at least from the Justice Department's point of view), President Eisenhower declared in a 1953 memorandum: "It will be assumed that the enforcement of the antitrust laws of the United States against the Western oil companies operating in the Near East may be deemed secondary to the national interest." The Justice Department, accordingly, dropped the criminal antitrust action it had prepared against the cartel members, and the cartel was actively encouraged by the State Department to form a "consortium" to operate Iranian oil facilities.

As the international cartel moved into the 1960's, its fourth decade of operation, the main threat it confronted was neither antitrust suits nor even "nationalization" (for, as the case of Iran proved, the oil combine had the power to increase production in other countries while blockading the offending government), but the rise of producers independent of the cartel, such as Getty, Occidental, and state-owned companies in Italy and Japan. For "independents" could provide alternate outlets for producing states, thus breaking the cartel's iron hold on the world's oil supply. This problem was gravely compounded in 1957 when Britain and France withdrew from Suez, and the colonial powers could no longer be relied on to prevent "independents" from moving into unexploited sheikdoms.

JANUARY 22, 1954: OBSTRUCTION OF JUSTICE, AND A SECRET CLAUSE

In 1952, after a grand jury search of the files of 21 oil companies, the Department of Justice developed a powerful antitrust case against the cartel members. But Iran had nationalized the British oil concessions there only the year before, giving rise to a debate within the highest levels of the United States government about the national security interest in preserving the cartel's control of Middle East oil.

The Department of Justice contended that "the cartel arrangements are in effect private treaties negotiated by private companies for whom the profit incentive is paramount. The national security should rest instead upon decisions made by the government with primary concerns for the national interest."

The Department of State, which opposed the antitrust suits, argued that criminal prosecution was "fraught with great potential danger to the United . . . [I]n both Venezuela and the Middle East a wave of economic nationalism which might endanger American interest is entirely possible [if the suits were to bring damaging information to light]."

Then, on January 5, 1955, just before he vacated office, President Truman informed Department of Justice prosecutors that the grand jury investigation had been terminated "solely on the assurance of General Omar Bradley [then chairman of the joint chiefs of staff] that national security called for that action." A civil suit was thus substituted for the criminal prosecution. After President Eisenhower, and the CIA, had disposed of Iranian Premier Mossadegh and restored the shah to power, the United States was faced with a watershed decision—it could either return the Iranian concessions to the cartel or it could turn over the concessions to American independent oil companies. If the cartel retained control over the concessions, the government could be assured that oil prices would remain constant and not be "desettled." On the other hand, if American independent oil companies took over, then one could expect widespread competition with the cartel. Iranian oil production would be greatly increased by the independents, and this seemed sure to lead to a collapse of world oil prices.

For the Department of State, Herbert Hoover Jr. argued persuasively that international oil prices should not be "desettled." He thus worked out a "consortium plan" in which, according to testimony developed in hearings of the Senate Subcommittee on Multinational Corporations in 1974, the cartel members would be given the controlling interest over Iran's oil, with a small percentage given away to American independents as "window dressing."

A secret clause "Clause 28," would allow the dominant cartel members to check the production quotas of all the participants in the consortium and thus control the exploration and production schedule of Iranian oil, thereby not "desettling" world oil prices. The consortium would then sell most of its oil to Anglo-Iranian Petroleum.

In effect, then, the consortium arrangement would return Iranian oil to British Petroleum—and the control of the cartel. To expedite this arrangement it was necessary to guarantee the American oil companies that they would not be prosecuted for antitrust violations for participating in the consortium. On January 21, 1954, the National Security Council endorsed this arrangement and Vice-President Nixon briefed Lyndon Johnson, Sam Rayburn, and other congressional leaders on the decision.

Majority Leader Johnson, however, showed great concern that the Iranian oil might find its way into the American markets, thus competing with Texas oil. Johnson was assured by Nixon and Secretary of the Navy Robert Anderson, another Texan, that Iranian oil would be sold only east of Suez and not reach American or European markets. To assure that this deal was kept, Johnson pushed an import-quota bill through Congress which limited the amount of oil that could be imported into the United States.

This deal had two important consequences. First, it effectively ended the antitrust case against the oil cartel. As President Eisenhower pointed out in a Department of Justice memorandum: "It will be assumed that the enforcement of the antitrust laws of the United States against the Western oil companies operating in the Near East may be deemed secondary to the national security." Second, by restricting imports of oil into the United States, Johnson assured that for twenty years domestic production would be used at capacity.

If import quotas had not been introduced, the United States would have used more Middle East oil and thus would have had greater domestic reserves for use in emergency.

1954: THE SQUELCHING OF ONASSIS

The oil cartel ensured its hegemony over its far-flung concessions in the Middle East and Latin America through its ownership and control of the pipelines and tanker fleets necessary to transport the oil to the markets. By the 1950's, the Big Three cartel members—Exxon, Anglo-Iranian, and Royal Dutch-Shell—controlled 12 million deadweight tons of tankers, which constituted

*For clarity and consistency, oil companies are in most cases referred to in this article by the names they have today.

almost two-thirds of the privately owned tankers in the world. And most of the remaining tankers were owned by or chartered to the other participants in the cartel through a myriad of subsidiaries. Moreover, all the pipelines in the Middle East were owned by the members of the cartel. Thus, when Aristotle Onassis offered to commit a fleet of tankers to Saudi Arabia's use in 1954, the cartel viewed it as a potential threat to their virtual monopoly of transport.

By 1954, the cartel members and their subsidiaries, in retaliation, began canceling short-term charters for Onassis's ships. Not only were his ships lying idle, but he found himself suddenly beset with legal tangles. In New York, he was arrested at the Colony restaurant on charges involving his acquisition of World War II ships. (He was subsequently acquitted.) In France, he was sued by Spyridon Catapodis, a former associate, who claimed he was owed money and who now charged that he had distributed hundreds of thousands of pounds sterling in bribes to members of King Saud's court to obtain the tanker contract for Onassis. (The suit was eventually dismissed.)

In 1955, realizing the futility of fighting the cartel, Onassis quietly backed out of the tanker deal with King Saud, and his ships once again carried oil for the cartel members on a contract basis.

But technology would soon work against the cartel. Supertankers which could reduce the cost of trasporting oil by $1 a barrel were already on the planning boards. With independents like Onassis quick to order these oceangoing behemoths, it was to be only a few years before the oil-producing nations had practical alternatives to the cartel's shipping.

OCTOBER 27, 1962: DEATH OF AN INTERLOPER

The Suez debacle in 1956–1957—the direct intervention of Britain and France in Suez, and the humiliating withdrawal that followed—effectively ended the British sphere of influence in the Middle East and opened up the area to oil companies unaffiliated with the cartel. Among the "independents" who rushed in to seek concessions was Enrico Mattei, head of Ente Nazionale Idrocarburi (ENI), the Italian government-owned energy company. ENI, which had a large share of the Italian market and pipelines to other European markets, presented a serious problem to the cartel. If Mattei succeeded in acquiring a large supply of crude oil in the Middle East, he threatened to break the price of oil in Europe—a price effectively maintained by an Exxon subsidiary.

Mattei offered Iran an unprecedented "partnership" deal whereby Iran would participate in the concession without putting up initial capital. Iran granted Mattei exploration rights in areas in which concessions had not been granted to the "consortium," but the wells ENI drilled there failed to produce sufficient oil to fulfill Mattei's grand scheme.

In the early 1960's, Mattei turned to the only available source not controlled by the cartel: the Soviet Union. He thus arranged, in 1961, to import almost 16 per cent of Italy's oil from the Soviet Union, and greatly to increase the flow once a Soviet pipeline to Italy was completed. Exxon—fearing a flood of cheap Soviet oil—persuaded the Kennedy administration that to supply steel pipe the Soviet Union needed to build the pipeline was to threaten the NATO alliance. As a result, President Kennedy prevailed upon West Germany and other allies to help prevent steel pipe from reaching the Communist bloc (even though they would be the beneficiaries, at least in the short run, of cheaper oil).

In the fall of 1962, Exxon decided to make a deal with Mattei and offered oil from its Libyan concession in return for ENI's rejecting Soviet oil. Exxon also agreed secretly to help finance Italy's Christian Democratic party—Mattei's party.

Mattei seemed agreeable to this plan, and Exxon officials arranged for him to meet with President Kennedy in November. To facilitate the détente, Under Secretary of State George Ball dined Mattei at the American Embassy in Rome and discussed the possibility of the United States' purchasing petrochemical products from ENI.

Before the new arrangement was settled, and a few days before his departure for the United States, Mattei's private plane crashed. The cause of the crash was not determined.

SEPTEMBER, 1964: THE $100-MILLION DINNER

The phenomenal growth of independent oil companies in the postwar years was a direct, and somewhat ironic, result of the cartel's need to dispose of large quantities of oil in order to keep their refineries running at full capacity. Thus, independent marketing companies like Los Angeles-based Occidental Petroleum received from the supranational producers generous allotments of refined products. As demonstrated by the shutting down of the Iranian fields in 1953, and reprisals that followed the British-French invasion of Suez in 1956, the independents found that the cartel's crude supply could be pinched without notice and that, in consequence, their own supply was extremely tenuous. With profits made from marketing the cartel's excess capacity, the independents sought their own concessions even though it meant directly competing with the cartel. While Enrico Mattei of ENI dealt with Iran and the Russians, Jean Paul Getty negotiated a concession in the Neutral Zone between Kuwait and Saudi Arabia; Standard Oil of Indiana began offshore explorations in the Persian Gulf; and Phillips Oil moved into the Trucial States.

But by far the largest pool of oil—and the most economically located in respect to the European markets—lay under the Libyan desert. Armand Hammer, perhaps the most enterprising of all the independents, decided to stake Occidental's fortune on obtaining a concession from the totally corrupt regime of Libya's King Idris. The attempt to gain the concession met with little success until Herbert Allen, the Wall Street investment banker, offered in 1964 to put Hammer in touch with a Libyan who could arrange for Occidental to get the most valuable concessions through his connections with Libyan Oil Minister Fuad Kabazi (who was interested in obtaining some cash to finance a film he had written). The intermediaries for the deal were "General" Pegulu de Rovin, a Spanish-born swindler of some prominence in Europe, and Ferdinand Galic, a Czech-born promoter and *bon vivant* who was an acquaintance of Charles Allen, the founder of Allen & Company, and Herbert Allen's brother.

The principals met the "Libyan connection" in London at Claridge's, and, according to sworn depositions in a subsequent lawsuit, agreed to persuade the oil minister to grant the concessions to Hammer's company. (Oil Minister Kabazi, according to the depositions, received $100,000 for his film *On the Crest of the Dune* from Galic.)

Occidental was awarded the concession by the Libyan government in 1966 and soon struck a major field. But just before Occidental's final offer was submitted, the Libyan government unilaterally canceled its agreement with Allen & Company, cutting Allen out of the deal. Allen & Company thereupon sued Occidental for $100 million for breach of contract. (That suit is still not resolved.)

Occidental's strike in Libya was to become crucially important to Europe. After the Suez Canal was closed in 1967, it was the only "Middle East oil" located west of Suez.

1969: BALANCING ACT

In controlling the balance of the world's oil supply, the cartel faced the delicate problem of restricting the development of its concessions so that it did not exceed projected demands for oil. Most "host" governments were demanding that oil production—and thus oil royalties—be increased in their respective countries, but the major oil companies operated on the theory that the market for oil was a finite "balloon," and that an extraordinary production increase in any one concession area would have to be traded off against a decrease in another.

In 1969, when the shah pressed the consortium to accelerate Iranian production by some 20 per cent a year (or by 2 million barrels a day of additional production by 1973), the consortium members had to reckon that, as a result, they would have to decrease production, or at least the rate of growth, in their primary concessions. Specifically, Exxon, Standard Oil of California, and Texaco thus were faced with the prospect of having to "trade off" Saudi-Arabian growth to satisfy the shah, thereby jeopardizing their standing in Saudi Arabia.

Similarly, Gulf Oil would have to restrict Kuwaitian development in order to favor Iran. Exxon had the additional problem of absorbing between 1 million and 2 million barrels a day that the North Slope of Alaska was expected to produce. Thus, an analysis by Standard Oil of California dated December 6, 1968, gloomily concluded: "It will become exceedingly difficult, if not impossible, to maintain relatively rapid growth in the high-level producing countries of the Middle East and still accommodate reasonable growth of crude production from new as well as old fields . . . outside the Middle East."

In his testimony before the Senate Subcommittee on Multinational Corporations, George Piercy, a senior vice-president of Exxon, explained the dilemma: "If some capacity was brought on anywhere else in the world . . . it is like a balloon and if you bring it on in one place, you punch it one place, something has to give somewhere else. . . . The fact that oil was brought on here or there does not in any way mean that there was more consumption."

Rather than expanding the balloon in Iran, the shah was thus turned down by the oil companies that controlled the consortium's production schedule.

The State Department attempted to keep the restrictive clauses on the consortium agreement secret from the shah—in 1966 Acting Secretary of State George Ball instructed the American Embassy in Tehran "this sensitive subject should not become part of the argument with the Iranians"—but the shah was apprised by the French company in the consortium (CFP) of the secret clause which allowed the cartel members to control Iran's production schedule. He vehemently protested to the American State Department, and on March 28, 1968, Under Secretary of State Eugene Rostow summoned executives from Exxon, Socal, Texaco, Mobil, and Gulf to Washington and bluntly warned them that the Middle East situation was deteriorating and could result in an "oil boycott." Under Secretary of State Eugene Rostow appealed to the majors to accommodate the shah's demand to increase production.

The oil companies adamantly rejected this plea, contending that an increase in Iran might offend Saudi Arabia and Kuwait, since, to compensate, production would have to be cut in those countries. The consortium did switch from the Gregorian calendar to the Persian calendar, so that the shah could save face in meeting his five-year planned schedule, but it flatly refused to "trade" 2 million barrels a day of non-Arab oil for a like amount of Arabian oil. In hindsight, it is clear that if the cartel had acceded to the shah's demand in 1968 the Arab boycott of 1973 would have been less effective, if it would have been possible at all.

JUNE, 1967: PYRRHIC VICTORY

After the armies of Egypt, Syria, and Jordan suffered humiliating defeats in their

six-day war against Israel, the Arab nations imposed an oil embargo against the United States and Israel's other allies in Western Europe. Arab strategists counted on the embargo to pressure Israel into withdrawing from Jerusalem and the strategic areas it captured during the war. But within a week, it became clear that the West could easily circumvent the Arab boycott. Algeria and Tunisia continued to sell oil to West Germany, while the oil companies compensated for the shortfall in crude supplies by increasing production in Venezuela and Africa.

More important, the United States, the chief target of the boycott, then produced more than 80 per cent of the oil it consumed at the time. Imports from the Middle East amounted to only 300,000 barrels a day, which could be obtained easily from non-Arab suppliers. With non-Arab oil producers, notably Iran, increasing their share of the market at the expense of Arab producers, Saudi Arabia and Kuwait gave up the embargo by the end of June, thereby effectively ending it.

At a meeting in Sudan that August, Arab leaders came to realize that oil could be an effective political weapon only if all the producers—including such non-Arab nations as Iran, Venezuela, Nigeria, and Indonesia—acted in concert. The Organization of Petroleum Exporting Countries (OPEC), which until that time was reviewed mainly as an instrument for negotiating production schedules with the cartel, suddenly took on new importance as a means of coordinating a boycott.

FEBRUARY, 1970: OIL POLICY AND A PRESIDENT'S DILEMMA

In the 1960's the United States moved from self-sufficiency in oil (indeed, with capacity to spare) to increasingly heavy dependence on imports. With consumption rising at a compound rate and production falling in the United States, it was clear in 1969 that the growing United States need for foreign oil could pose a critical national security problem. Accordingly, less than two months after he took office President Nixon convened a special cabinet-level task force, headed by Secretary of Labor Shultz, to examine the implications of and evaluate dangers inherent in the nation's oil policy. In what constituted perhaps the first intelligent attempt at contingency planning for an energy crisis, the Shultz task force reviewed the potential for an Arab oil boycott and pointed to the feasibility of developing "spare capacity" in the naval oil reserves in Alaska (which could produce 2 million barrels a day) and California, building huge storage capacity in steel tanks and salt domes, and gradually developing other sources of oil (such as shale and coal sands). The report concluded, perhaps too optimistically—since it was based on projections provided by Exxon and other major oil companies—that the president could mitigate the threat of a politically motivated oil boycott by using flexible tariffs to encourage oil imports from more stable (and less hostile) sources of supply, thereby lessening America's dependence on Arab sources.

In the contingency planning of the task force, the probability of an Arab boycott was weighed against the likeliness of the Arabs' being able to achieve unity on a specific issue. The report reasoned: "It is possible that the Arab states might band together as they did briefly in 1967 to ban oil shipments to specified Western countries. If the boycott were brief or were directed selectively against only one or two importing countries, total supply would remain adequate. Thus, to have a problem, one must postulate something approaching a total denial to all markets of all or most Arab oil. The probable duration of any such concerted action may, however, be limited by the difficulty of maintaining political cohesion in the face of sacrifice of immediately needed revenues and the risk of losing market share to exporters not participating in the boycott."

What the task force did not foresee was the possibility that non-Arab exporters would *join* in the boycott in order to raise the price of fuel, even at the risk of offending the oil-consuming powers in the West.

Even before the president officially received the report, however, the oil companies brought pressures to bear on the White House opposing any change in the existing import quota system, which maintained artificially high prices in the East Coast markets. Indeed, when Exxon learned that the task force was going to propose a revision in the quota system, which limited the amounts of oil that could be imported, it hastily revised the projections it presented, thus undercutting its data base.

In March 1970, President Nixon expressed his appreciation to the task force, but, taking into account the oil companies' fear that revisions in the quota system would "destabilize" the American market, he decided not to implement its recommendations. Thus, as the gap between America's oil consumption and its dwindling production grew wider, the government failed to implement, or even restudy, its contingency plan.

JANUARY 11, 1971: THE GO-BETWEEN GETS AN ANTITRUST EXEMPTION

The 1969 coup in Libya by Colonel Qaddafi seriously interrupted the political balancing act of the international oil companies in the Middle East. Qaddafi demanded 50 cents a barrel more for Libyan oil because, since it was located west of the Suez Canal, it involved lower transportation costs. Moreover, Libyan crude was "sweet"—it had a relatively low sulfur content. For a brief time the international oil companies in Libya considered closing down the Libyan fields by purposely provoking Qaddafi, and thus reducing the projected world "glut" of oil James Akins, the State Department's oil adviser, counseled against this action, arguing that the European allies, especially France, Italy, and Germany, would never allow the Libyan fields to be closed down, and if necessary would nationalize the tankers owned by the international oil corporations rather than be denied oil from just across the Mediterranean. Under State Department pressure, the oil companies finally agreed to pay a "premium" to Libya because of the freight advantage.

To extract even better terms, Qaddafi next applied the screws to the independent companies operating in Libya and drawing almost their entire supply from Libyan fields. Occidental, the largest independent, asked Exxon to replace the crude supplies it would lose in nationalization if it failed to meet Qaddafi's terms. Exxon, however, refused this request. With its entire supply of oil at risk in Libya, Occidental therefore agreed to pay a total tax to Libya of 58 percent of the posted price per barrel. Until that time, none of the oil companies had paid more than 50 percent of the posted price in taxes to any of the host governments. Once the independents broke the 50 percent barrier in Libya, the majors took Qaddafi's term. Immediately the Persian Gulf nations—Iran, Saudi Arabia, Kuwait, and others—demanded similar terms. The international oil companies were thus caught in a "ratchet"—Libya could extract better and better terms from the independents operating there and the majors operating in the Persian Gulf would be forced to agree to those terms.

In an attempt to present a unified front against both Libya and the Persian Gulf producers, John J. McCloy obtained a business review letter from the Department of Justice which again exempted the oil companies from anti-trust prosecution. The shah of Iran, however, strongly objected on political grounds to global negotiations between the oil companies and the OPEC producers. He thus obtained State Department approval to "unhinge" the Persian Gulf from the negotiations. Instead, there were to be separate negotiations in Libya and Iran. World oil prices thus "leapfrogged" from the increasingly stiff demands of Libya to those of the Persian Gulf producers and back again, with the effective "take" of the producing governments rising in a few short years from $1 per barrel to $3 per barrel. The international cartel, no longer able to control the world's tankers, refineries, and markets because of the intrusion of independent operators, found that it no longer controlled the concessions in the Middle East.

NOVEMBER 30, 1971: EMPIRE AT SUNSET

The dominance of the cartel in the Persian Gulf was based on British military power after 1928. But after the fiasco in Suez in 1956–1967, in which British and French troops were humiliatingly forced to withdraw under American and Russian pressure, Great Britain began a full retreat from the Middle East which culminated in 1971.

Iran succeeded Britain as the dominant power in the Persian Gulf and thus Britain turned over on November 30, 1971, the strategically important Greater and Lesser Tunb Islands to Iran, along with the island of Abu Musa. Although these islands were mainly occupied by poisonous snakes, they dominated the channel through which 75 per cent of Europe's oil floated each day.

Since these islands were claimed by Arab states, the British transfer of these islands caused a wave of anger in the Arab countries. The shooting incident on Greater Tunb aroused Libya's strongman, Qaddafi, who blamed the British for Iran's takeover. Qaddafi tried but failed to rally other Arab states for a point assault to expel the Iranians. His frustration was part of a chain of events that led to Qaddafi's abrupt nationalization of British oil interests in Libya on December 7, 1971.

OCTOBER 7, 1973: THE YOM KIPPUR WAR

The world supply of and demand for oil had by 1973 been too precariously balanced by the international oil companies. Two days after the Egyptian attack on Israel, the Arab producers jointly ordered a 25 per cent cutback in production and a total embargo against imports by the United States, thus producing a critical shortage of oil in the world. As countries desperately competed for the oil that was available from Iran, Nigeria, and South America, the price of oil quadrupled from $2.50 a barrel to more than $10 a barrel.

MARCH 25, 1975: THE NEW CARTEL

The cartel formed by the seven oil companies comprising the international cartel could exist only so long as it retained control over the vast reserves of Middle East oil. And control over Middle East oil depended, in turn, on the cartel's power to shut down any concession that refused to abide by its production and pricing decisions, as it did in Iran in 1951. This required that the cartel have ample "spare capacity" available to replace the oil lost through a shutdown.

Until 1968, these "seven sisters" had enormous "spare capacity"—in the United States alone there was a "spare capacity" of 4 million barrels a day as recently as 1967. This meant, in effect, that in a crisis America could provide Europe and Japan with up to 4 million barrels a day.

After 1968, however, a number of factors, ranging from the decline in American reserves to the cutting off of the Trans-Arabian Pipeline by a Syrian bulldozer driver, had combined effectively to eliminate the world's "spare capacity." Moreover, independent oil companies provided oil-producing countries with alternative means of shipping and marketing their oil. When Colonel Qaddafi demonstrated that the "independents" could be compelled to give in to the demands of the

governments in 1971, he also exposed the fact that the cartel no longer had the power to shut down concessions. Even before the Yom Kippur war, then, the old cartel was quietly displaced by a new cartel, composed of the governments of the oil exporters gathered in the Organization of Petroleum Exporting Countries, or OPEC.

The OPEC cartel's imperatives, however, were based more on precarious political objectives than on fairly rational principles of economics. The main suppliers of oil in OPEC—Saudi Arabia, Kuwait, Abu Dhabi, Iraq, et al.—were committed, at least in their rhetoric, to using oil as a "weapon" to undermine Israel's position in the Middle East and to restore Arab prestige.

Thus, what had been a fairly stable system of distributing Middle Eastern oil under the old cartel was transformed into a political instrument under the new—a situation which was both dangerous and unpredictable.

OPEC'S UNCERTAIN FUTURE: WHEN POLITICAL IMPERATIVES REPLACE ECONOMIC GOALS

From the Achnacarry pact in 1928 to the Yom Kippur war in 1973 the old corporate cartel had more or less maintained the price of Middle Eastern oil—and even reduced it in comparison with the price of Western industrial goods. The cartel members did not maintain low prices for altruistic reasons, but out of enlightened self-interest. Not only did oil at $2 or less a barrel encourage utilities and other fuel users to switch from coal to oil, but, more important, it discouraged new entries and competition from going into the oil business. Oil was known to exist in Alaska, offshore on the Atlantic coast, and under the North Sea, but it simply wasn't feasible for competitors of the cartel to develop these resources if oil could be sold for only $2 a barrel. The cartel could enforce low prices and unfeasible conditions for competitors by simply opening the "spigots" on a Texas gulf and thereby driving down the world price of oil.

Rather than see Alaska, the North Sea, and other uncharted areas of the world developed, the seven sisters preferred to maintain a relatively low price on crude and to make their profits from shipping, refining, and marketing oil, on which the Middle Eastern countries received no tax or royalties.

In contrast, the new cartel, OPEC, has been guided by political rather than economic logic. Thus, a unified OPEC in 1973 raised the price of oil to $10 a barrel, quadrupling it from its earlier level. This satisfied the more nationalistic elements within the OPEC world, but it also has inexorably forced the industrial world to search for new sources of energy. The Alaskan pipeline, delayed by both ecological groups and congressional resistance, was speeded along by President Nixon; the 2 million barrels a day which the Alaskan pipeline will carry into American markets almost equal the amount of oil imported from Arab nations. The development by British Petroleum and other international oil companies of fields under the North Sea will make Britain and the Scandinavian countries almost completely independent of Arab sources for their oil by 1980.

The OPEC cartel will thus be faced with a now-familiar dilemma—it can either cut prices well below present levels and thereby retard, if not undermine completely, production of oil in Alaska and the North Sea, or it can cut back its own production by 4 million or more barrels a day to balance the entry of new supplies of oil.

Each alternative is politically unpalatable, to say the least. If the OPEC nations reduce the price of oil, it will be viewed by their populations—especially the Arab nations—as a humiliating defeat and will possibly unsettle the regimes. On the other hand, only a few of the OPEC nations can afford to cut production sufficiently to balance the flow of oil from Alaska and the North Sea. Venezuela, Ecuador, Nigeria, and Iran cannot cut oil production by significant amounts without destroying their ambitious plans for industrial growth or, in the case of Venezuela and Nigeria, lowering their standards of living. Saudi Arabia and Kuwait are the only OPEC nations which could cut production sufficiently to counterbalance the new sources of oil. But if they were to cut their production by, say, 4 million barrels a day, they would also have to reduce drastically their plans for military and industrial growth—an especially difficult choice to make confronted with the growth of rivals in Iran and Iraq. (Saudi Arabia, for example, has a $140-billion five-year development plan.)

Even at current high prices, oil producers such as Saudi Arabia and Libya have cut back production so drastically that they are actually receiving less money today than they would have been receiving at 1973 production levels under the 1973 negotiated price of $5.66 a barrel.

Since no single nation in the Persian Gulf area can be expected to reduce its standard of living for the benefit of its rivals (as Saudi Arabia has in effect reduced its standard for the benefit of Iran), what can be expected is the breakdown in the solidarity of OPEC. Unlike the corporate cartel, the nation members of OPEC all have different political ambitions and goals. And sooner rather than later, the countries currently cutting back production for the sake of maintaining the price may restore production, thus depressing the world price of oil. The future of the political cartel thus seems destined to be a good deal more uncertain and short-lived than that of the economic cartel.

ARMS CONTROL EXPERT SAYS TURKISH BASES NOT ESSENTIAL FOR MONITORING SALT AGREEMENTS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, in the current campaign by the administration to obtain a partial repeal of the conditional ban on the shipment of U.S. weapons to Turkey, the argument is being made that certain bases in Turkey are essential in order to police the strategic arms limitation agreements and to monitor the testing of missiles by Russia. Having learned from sad experience that assertions of this sort cannot always be taken at face value, I consulted with Dr. Herbert Scoville, Jr., former Assistant Director of the Central Intelligence Agency for Scientific Intelligence and Deputy Director for Research. Dr. Scoville has also served as Assistant Director for Science and Technology of the U.S. Arms Control and Disarmament Agency and as Technical Director of the Armed Services Special Weapons Project in the Department of Defense. He is currently secretary of both the Arms Control Association and the Federation of American Scientists.

In the opinion of Dr. Scoville, the Turkish bases have only marginal utility in verifying past and future SALT agreements. He believes that other observation sites and satellites would be more useful. He concludes that SALT cannot be reasonably used as a justification for making decisions on our Turkish aid program.

Subsequent to our discussion, Dr. Scoville has written me a letter setting forth his comments in some detail. The full text of his letter follows these remarks:

JULY 20, 1975.

DEAR CONGRESSMAN SEIBERLING: This is in answer to your request for my views on the usefulness of our Turkish bases for verifying the SALT agreements. I understand that it has been argued that these bases are essential for ensuring that the Russians are not violating the SALT I ABM Treaty and Interim Agreement on Offensive Weapons and that they are also necessary if we are to verify any future agreements deriving from the Vladivostok Accords.

While there is no doubt that the Turkish bases provide useful information on certain aspects of the Soviet military complex, to say that they are essential for verifying past or future SALT agreements would appear to be such an exaggeration as to raise questions as to the sincerity of those making the statements.

First, with respect to the ABM Treaty, the bases would appear of marginal if any value. A glance at the globe will show their unsuitability for observations of the Soviet ABM Test Site at Sary Shagun, which is on Lake Balkash about 2000 miles east of Turkey. That country is far less satisfactory for observing activities at the Test Site than would be bases in countries directly to the south. Turkey is not a good location for observing whether their radars are being tested in the ABM mode or their SAM missiles are being tested against incoming ballistic missiles. It has no value at all for verifying deployment of ABMs. While the Turkish bases are closer to the Russian ICBM, IRBM, or MRBM test launch areas, which are north of the Caspian Sea, information on such firings that might come from the Turkish bases is not of any great value in verifying the ABM Treaty.

The Turkish bases provide no information relative to the Interim Agreement on Offensive Weapons, since this agreement only freezes deployment of offensive missiles, not their development or testing. Information on deployment comes from observation satellites, not from surface observation posts. Thus, the Turkish bases have little if any value in verifying either of the SALT I Moscow Agreements.

It is harder to be so categorical relative to future agreements, since details on these are still unknown. However, looking at the Vladivostok Accords, it is doubtful whether the bases can be very important. As with the Interim Agreement, the bases have no relation to the ceiling on deployment of delivery vehicles.

They could be of some value relative to the ceiling on MIRVd missiles, since a factor here is what types of missiles have been tested with MIRVs. However, the key observation to determine this is, however, not at the launch end of the test range, but at the reentry point which occurs on the Kamchatka Peninsula in the Pacific Ocean. Both of those areas are subject to observation from US ships or land areas. It is these locations, not the Turkish bases, which have provided the information that the Secretary of Defense has used to announce Soviet MIRV tests. If observation of the launch areas were essential, then verification would be impossible, regardless of whether we had the Turkish bases, since there is nothing to prevent the Russians launching from one of their operational sites far from the Turkish bases. Finally, there are other land areas closer than Turkey for observing the current Soviet missile test launch area to the north of the Caspian Sea.

In sum, the Turkish bases have only marginal utility in verifying past or possible future SALT agreements. Other observation sites and satellites would appear much more useful. SALT cannot be reasonably used as

a justification for making a decision on our Turkish aid program.

HERBERT SCOVILLE, Jr.,
Former Assistant Director of CIA for Scientific Intelligence and Deputy Director for Research.

NUCLEAR POWER IMPORTANT IN MEETING FUTURE ENERGY REQUIREMENTS

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, on July 11, 1975, the Honorable Frank Zarb, Administrator of the Federal Energy Administration—FEA—delivered an important speech before the Commonwealth Club of California on the subject of nuclear power. In his speech, which follows my remarks, Mr. Zarb brought out very clearly the fact that nuclear power continues to be one of our safest, cleanest, and most reliable sources of energy. He also identified the major difficulties presently impeding the growth of this vital new energy source and offers a number of constructive suggestions for resolving these difficulties. I was particularly pleased to see that is is anticipated that FEA will provide a focal point within the administration to assure that nuclear power plays its proper role in the Nation's energy future. I commend Mr. Zarb for making this speech which strongly reaffirms the national decision to fully utilize nuclear energy to help meet our Nation's future energy supplies:

ZARB SPEAKS ON NUCLEAR ENERGY: NUCLEAR POWER, A TIME FOR DECISION

(Remarks of the Honorable Frank G. Zarb, Administrator, Federal Energy Administration, Before the Commonwealth Club of California, Sheraton-Palace Hotel, Market and New Montgomery Street, San Francisco, California, July 11, 1975)

Thank you for inviting me to speak to you today.

Not long ago I gave a speech before the National Coal Association in which I argued for a balanced approach to energy decisions. After describing the truly staggering economic impact of continued dependence on imported oil, I related a succession of personal experiences that illustrated the problem of achieving that approach.

First, I have been told by some people that we should avoid accelerated development of the Outer Continental Shelf, and instead rely on coal, the Naval Petroleum Reserves and Nuclear Energy.

Then, during a congressional hearing I was told that we should avoid accelerated coal development, and instead rely on the Naval Petroleum Reserves, nuclear energy, and the Outer Continental Shelf.

And then I was told by other members of Congress that we should avoid developing the Naval Petroleum Reserves now, and instead rely on nuclear energy, the Outer Continental Shelf and coal.

This explains why it is so hard to put together a balanced energy program that provides enough energy to reduce our dependence on imported oil. Everybody tends to approach the problem from his own viewpoint.

Industry people become locked into the belief that their industry alone can assure the Nation's energy salvation. People with sincere environmental concerns get locked into a stance in opposition to development of a particular resource, be it coal, nuclear power, or offshore oil, because of concern that insufficient measures will be taken to safeguard public health and the environment.

The answer has got to be balance: between our energy and our environmental needs; between efforts to conserve energy and efforts to develop new supplies; and, finally, between the various, abundant sources that the Nation has at its disposal.

The United States possesses extensive resources of fossil fuels—oil, natural gas and coal—and each must contribute to our energy needs in the years and decades ahead.

When our proved and potential reserves of crude oil and natural gas are added together, estimates compiled recently by the U.S. Geological Survey for FEA indicate that we have from 35 to 50 years' supply of gas and from 19 to 32 years' supply of oil—at current consumption rates.

We must provide adequate incentives to maintain and hopefully to increase domestic production. At the same time, increasingly, we must turn to coal and nuclear power, the fuels we have in most abundance.

Estimates by the U.S. Bureau of Mines indicate that we have 434 billion tons of coal—enough to maintain current coal production for well over 700 years. And, even if we achieve our aim of doubling coal production by 1985, we would still have more than 350 years' supply.

But, although we can use more coal for many purposes, it alone can't fill our needs.

Fortunately, our energy resources of uranium are largely untapped, so we have yet another major energy source to help fill future demand. In fact, assuming successful implementation of breeder reactors, these reserves are at least ten times as great as the energy available from coal.

Tapping these resources—both coal and uranium—requires that we solve the many problems that are now hampering their use.

This afternoon, I would like to focus on one of those two resources—nuclear power. Nuclear power can be and should be one of the major keystones of our energy supply strategy in the years to come. At the same time, it *must* be one of our safest and cleanest sources of energy.

The debate between advocates and opponents of increased development of nuclear power appears, in some respects, to be even more emotional, even more heated, than debates on other energy resources, such as coal and offshore oil. Perhaps this is because the potential hazard in the case of nuclear power—namely, radiation—is newer to us and less tangible than the hazards of air and water pollution from coal and oil.

Certainly it's true that, for more than a quarter of a century, nuclear energy has been most closely associated in the public mind with two devastating bomb blasts that brought World War II to an end and opened the door to the so-called nuclear age. And it's true that, in the years of atmospheric testing and political uncertainty that followed, the nuclear age, for most people, meant, simply, the threat of nuclear war. So, from the outset nuclear energy has been laden with popular emotion.

But we can't base our energy policy on emotion—we must base it on hard facts. And these are the facts:

One—the risk-to-benefit ratio of nuclear power in regard to public health is favorable, and like other forms of advanced technology will be publicly viewed as such, as we go forward with its development.

Two—there is no way we can continue to provide the electricity needed by our Nation in the coming years without the responsible expansion of our nuclear resources; and

Three—electricity from nuclear power is a bargain compared to other sources of electricity, even with all costs included, such as insurance and safe disposal of radioactive waste.

Today—in the second year of the energy crisis—the second year of buying foreign oil at an annual rate of more than 25 billion dollars—it is high time to set aside emotion and examine rationally these and the other facts of energy life. Based on those facts, in regard to nuclear power, we should determine to get on with the job of utilizing this vital, clean and abundant energy resource.

In short, it's time for reasonable and competent people to work out any remaining questions in the development of nuclear power and get on with its productive use.

Now, some people argue that the question of nuclear power is beyond the comprehension of the average citizen—that we should leave consideration of it to the scientists who understand and deal with its technicalities. Yet these same people then seem to want only a minority of scientists to be heard. This is the argument of many proponents of nuclear delay.

These proposals would halt construction of new nuclear plants while various committees of scientists and other experts study and debate and draft reports for another two to five years, and then, presumably, educate the rest of us so that we could then make a responsible decision.

This approach ignores two basic facts. *First*, that we already have *behind us* 20 years of successful experience, demonstrating that civilian nuclear power is safe, clean, and represents an important and vital dimension of this nation's energy future.

And, *second*, we have *in place today* one of the most comprehensive sets of laws and regulations to assure that nuclear power continues to be one of our safest, cleanest and most reliable sources of energy; and the recent separation of the regulatory and developmental functions of the Atomic Energy Commission and establishment of the independent Nuclear Regulatory Commission should assure continued and effective enforcement of these laws and regulations.

I think a judgment on these matters *is* within the understanding of the average citizen, and further that it can be made now—without waiting 2 or 5 more years. A decision to *stop* further development—to go through more studies, debates and reports—is a decision to ignore these facts, to turn the clock back two decades, and to start all over again where we were 20 years ago.

In my opinion, the U.S. Government's program to develop nuclear power has been one of the greatest technological achievements ever fostered by the American system—under both Democratic and Republican Administrations. Some of the milestones are worth considering:

The Truman Administration's basic decision in 1945 placed development of atomic energy under civilian control with a charter to make its benefits available for peaceful use.

The Eisenhower Administration's policies led to the successful construction of the world's first commercial nuclear plant at Shippingport, sponsored jointly by the Federal Government and private industry.

The Kennedy and Johnson Administration's policies helped to develop, in cooperation with industry, more advanced reactor concepts. As you know this has been continued by succeeding Administrations.

And most recently, the Ford Administration's decisions can be cited: to set a goal of at least 200 nuclear power plants on line by 1985; to encourage the production of enriched uranium by private industry, and to endorse recommendations made by the President's Labor-Management Committee aimed at accelerating the construction of both coal and nuclear power plants, encouraging research and development to improve the reliability and availability of plants.

During all of this 30-year period, the laws regulating the use of civilian nuclear power have been continually strengthened and improved—by both the executive and legisla-

tive branches of government—so that we now have one of the safest and most thoroughly regulated technologies ever. And we are continuing to improve it.

Let's look for a minute at the question of nuclear plant safety and try to put it in perspective. Despite the tremendous amount of adverse publicity given to hypothesized accidents and their potential consequences for the health and safety of the public, the safety of the nuclear power industry is without parallel.

No radiation injury or death has resulted from the operation of any licensed U.S. nuclear power plant.

The unprecedented safety record of the nuclear industry—covering many types and designs of nuclear facilities dispersed among many organizations throughout America—was not achieved by chance.

From the start, we recognized and faced up to the high level of standards for working with nuclear power. As a result, the nuclear industry is one of the safest in the world to be employed in.

Achievement of this safety record depended on formal and rigorous regulatory and public surveillance programs that are without parallel in the history of any technology.

There are more assessments involving safety—more factual data on actual and potential problems—in the nuclear industry than in *any* other energy industry. Nuclear hazards are far better understood than those of thousands of widely used chemical and biological agents.

Each year a United States citizen is exposed to an average of 182 units of radiation. Natural radiation—both cosmic and terrestrial—accounts for 109 units. Another 73 units come from medical x-rays and therapeutic radiation. As of today, the operation of all of our nuclear powerplants—55 operating installations—and all of their supporting activities add less than one-tenth of a single radiation unit to that average.

Of all pollutants our society introduces into the environment, none is so thoroughly monitored—nor are the consequences of any so well understood—as radiation.

The environment is being observed and checked constantly and extensively to guarantee that our food, air, soil and water are kept free of harmful radioactive contamination. The results of these surveys are published monthly by the Environmental Protection Agency.

In all nuclear facilities, people with potential exposure to radiation wear exposure-measuring devices to assure that their cumulative exposure is limited to permissible levels. From its inception, the nuclear industry in this country has maintained exposure records for every person who has worked in a nuclear facility—the equivalent of a record of the number of cigarettes smoked by every smoker in the nation, or a record of all the carbon monoxide, carbon dioxide and sulfur every American has breathed over the past quarter of a century.

Not only do we have better records of our exposure to radiation than to other pollutants, but our knowledge of radiation's biological effects probably exceeds that of almost every chemical or physical agent. And that knowledge is constantly expanding—with a Federal research budget of some $90 million per year.

All this is not to suggest that we should rest on our laurels. We must continue to be vigilant so that the procedures and methods that have been so effective in the past will be equally successful in the future. The likelihood of serious reactor accidents is very small and will continue to decrease as the benefits of design standardization, improving quality assurance, and continuing safety research are realized.

Despite this record and these facts, popular doubt persists about nuclear power—doubt fed by criticisms that, though generally sincere and well-intentioned, are all to frequently ill-founded in substance and hysterical in tone.

In other words, the obstacles to a rational public dialogue on nuclear power are difficult to overcome. But dialogue *must* proceed, and it requires that we deal with those aspects of nuclear power that have become focal points of concern, such as disposal of waste products from nuclear powerplants.

Again, the fact—as opposed to the fiction—is reassuring. There is much confusion in the public mind on this point. The *spent fuel* discharge from reactors is not waste—it is chemically processed to extract the uranium and plutonium, which represent a large energy resource. The waste remaining from the chemical separation is extremely small. A single aspirin tablet has the same volume as the waste produced in generating seven thousand kilowatt hours—which is about one person's share of the country's electric output for an entire year.

Compared to large quantities of other harmful materials, the volume of nuclear waste is miniscule. Of course, we must guarantee that this waste is safely and responsibly stored, over extended periods of time.

Some people argue that we must have an ultimate means of waste disposal before proceeding to build any more plants. But the record of the past twenty years shows that nuclear wastes can be handled with an excellent record of public health and safety.

Right now, the Energy Research and Development Administration, has a major program underway to determine even more permanent ways to store it.

Improved waste disposal methods utilizing waste concentration and solidification are in use today. And still better processes are under development and expected to be in commercial use in the 1980's. The important thing is that we have adequate, safe storage methods that meet reasonable requirements, while we explore the best means for ultimate disposal of wastes.

Another subject that has recently moved up on the nuclear "worry list" is plutonium safeguards.

Although adequate safeguards are certainly necessary for more widespread use of nuclear power, they've still been the subject of a lot of misinformation.

During the past 30 years, thousands of pounds of plutonium and highly enriched uranium have been in widespread use in research reactors, experimental facilities, nuclear powerplants and weapons programs. It has been produced, shipped, fabricated, processed and stored safely without diversion.

Still, in view of the increased frequency of terrorist activities and the proliferation of nuclear weapons capability among the nations of the world, public concern is understandably aroused. The Nuclear Regulatory Commission and ERDA are conducting a comprehensive study of current safeguards and of possible changes to improve their effectiveness for the future. Obviously, such improvements will be pursued and implemented.

However; this does not mean we should stand still while even more effective systems of safeguards are being studied.

Providing proper safeguards has major international implications. Large quantities of plutonium already are deployed throughout the world in nuclear weapons, and increasing quantities are coming into commercial use. A ban on plutonium recycling within the United States would not guarantee us protection against its illicit use, because the material could be obtained abroad.

Another aspect of safeguards that concerns some people is the medical hazards of plutonium. Now there is no doubt that plutonium, because of its radioactivity, must be handled with great care, as must other hazardous substances such as arsenic and mercury. However, the evidence of more than 30 years of plutonium processing in U.S. civilian and military facilities convinces us that the need for care in handling should not prevent us from extracting the enormous energy in plutonium.

Indeed, when one hears the frequent claim that "plutonium is the most toxic substance known to man," he ought to ask: "How many recorded deaths are attributable to the toxic nature of plutonium?" The answer is: *none*.

I've been talking up until now primarily about the risks of nuclear power, as compared to other risks. Let's spend a few minutes on its *benefits*.

The basic benefit, of course, is that it uses a largely untapped domestic fuel resource and hence helps free us from dependence on foreign imports. A second benefit, especially important in these times of rising prices, is that electricity generated by nuclear power is cheaper than that generated by burning coal, oil or gas.

In 1974, Northeast Utilities in New England reported $140 million in savings to its customers from operation of its nuclear powerplants. Commonwealth Edison in the Chicago area reported a $100 million savings, and Florida Light and Power a $140 million saving. The Atomic Industrial Forum reports that, in 1974, nuclear power saved the American consumer more than $800 million in electric bills.

Some critics claim that nuclear powerplants are unreliable, and are out of service so much of the time that customers are paying for a lot of idle capacity. Nuclear plants, in fact, are not as productive as had been expected, but they will become more productive with experience, improved quality control and design standardization. It is important to note that the majority of downtime of nuclear power plants has been due to problems primarily in the non-nuclear parts of their systems.

A Federal Energy Administration study of nuclear and fossil powerplant productivity has identified many actions that can be taken by industry and government to improve productivity of both nuclear and fossil plants.

One of our top priority programs at FEA is to implement these actions on a timely basis so that utilities and their customers will reap the benefits of improved productivity in this decade. However, even if *no* improvement were made in nuclear plant productivity, nuclear power would still be a bargain for the consumers.

We must continue to resolve public issues in a manner that preserves our essential freedoms. The issues involved in nuclear power are vital to this Nation, and they must be resolved. But there is a real danger that we will wind up studying them to death—that by direct or indirect action, or inaction, we will wind up with an unnecessary and counterproductive moratorium on building nuclear powerplants.

In our judgment, a moratorium, despite intentions to limit it to a brief span of years, could well weaken the country's capacity to produce nuclear powerplants to the extent that nuclear power would be foreclosed as a major energy option in this country.

The effect of such a course on our overall energy situation and on the economy—on employment, on our level of oil imports, on balance of payments and so forth—could be devastating.

And we should be mindful that, regardless of the course we choose to take in the United States, other members of the world community will move ahead in their increasing use of nuclear power. Given this fact, can we afford not to proceed ourselves? And would our own best interests not be served, in the increasingly nuclear-powered world of the future, by maintaining the technological lead which other nations will follow?

We are satisfied that the excellent public

health and safety record of nuclear power in America reinforces the decision taken by this Administration to move forward promptly—but with care and control—toward an expanded use of nuclear power.

We have, after all, only a few practical options in our lifetime for sustaining essential supplies of reliable, economic and clean energy, even for the most urgent of our needs. Elimination of grossly wasteful energy consumption practices and employment of maximum conservation efforts will help, but we still must satisfy almost all of our energy needs from oil, gas, coal and nuclear sources.

Unfortunately, less than 5% of our total energy comes from the 55 nuclear plants that are now operating, although nearly 188 others are being built or have been planned.

Despite the vital need, many new plants have been delayed or cancelled outright by the utilities over the past two years, primarily because of shortage of capital and uncertainty as to projected load growth and the energy policies of the State and Federal governments.

The President and leaders of both labor and industry have urged that immediate steps be taken to expedite completion of these nuclear plants. They know that each plant represents a real saving equal to 12 million barrels of oil a year—or, at current rates, about $144 million of imports.

They know that the price of those imports is American jobs and American productivity and American security from another, more devastating embargo.

Beyond this, they know that the ready availability of domestic energy at reasonable costs is necessary if the United States is to realize its great goals for the last quarter of the Twentieth Century: to seek full employment, to sustain and improve our standard of living, to extend the benefits of a productive Nation to its less fortunate citizens, to preserve our finite resources for their most useful purposes, and to restore, sustain and enhance our environment.

And they know that attaining those goals—or even making meaningful progress toward them—requires commitment to the continued development of the nuclear power industry.

That commitment must be made by all segments of American society—by business leaders, by labor leaders and by public officials at every level. We in the Federal Government must demonstrate our commitment to this goal by developing a coherent and coordinated national policy for the safe, clean use of nuclear power. In a recent speech before the Edison Electric Institute in Denver, Colorado, Bill Anders, Chairman of the Nuclear Regulatory Commission called for the establishment of a focal point for all Federal efforts in this regard.

We at the FEA anticipate that, in conjunction with the Commission and the Energy Research and Development Administration, we will provide such a focal point—assuring the policy analysis and coordination necessary at the federal level to see that nuclear power plays its proper role in our energy future.

But, ultimately, if that role is to be realized, the commitment to the use of nuclear power must engage the American people as a whole.

By rigorously applying tough health and safety standards and by fostering technological developments that will enable us to meet ever rising standards, government must guarantee the public that nuclear power remains the safe source of energy that it has proven to be thus far in its history.

Our national commitment on nuclear power cannot coexist with the myths of fear that have too often surrounded questions of nuclear energy in the past. Rather, it depends upon an accurate perception of the facts of nuclear power and a clear-sighted view of the contribution it can, and must, make to this Nation's future.

It will be a vital part of our job in government to see to it that those myths are rightly dispelled and that the true facts of nuclear power fully justify the role we envision for it in the years ahead.

Thank you.

SCHOLARSHIP AWARDED TO ENID MARIE BULLOCK AND SUSAN EILEEN SCHADE

(Mr. ALBERT (at the request of Mr. HALL) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. ALBERT. Mr. Speaker, the National Secretaries Association has for several years sponsored a worthwhile scholarship program for outstanding high school students interested in becoming secretaries. Recently, the District of Columbia Chapter of the National Secretaries Association awarded Barbara G. Wendt, CPS, Scholarships to Enid Marie Bullock of Capitol Heights, Md., and Susan Eileen Schade of District Heights, Md. Both girls will attend the Washington School for Secretaries.

I am especially proud of Miss Bullock's being awarded a scholarship since she is a former student of CARL ALBERT High School in Midwest City, Okla., where she received numerous scholastic honors.

I want to congratulate both Susan Schade and Enid Bullock on this important event in their lives.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MATSUNAGA (at the request of Mr. O'NEILL), until 5:30 p.m., on account of illness.

Mr. JONES of Alabama, for an indefinite period, on account of the death of a member of his family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SISK, for 30 minutes today.

(The following Members (at the request of Mr. MITCHELL of New York) to revise and extend their remarks and include extraneous material:)

Mr. CONABLE, for 15 minutes, on July 31, 1975.

Mr. KEMP, for 15 minutes, today.

(The following Members (at the request of Mr. HALL) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Ms. ABZUG, for 30 minutes, today.

Mr. RODINO, for 15 minutes, today.

Mr. METCALFE, for 5 minutes, today.

Mr. WOLFF, for 5 minutes, today.

Mr. BARRETT, for 10 minutes, today.

Mr. MEZVINSKY, for 5 minutes, today.

Mr. BURKE of Massachusetts, for 10 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Ms. HOLTZMAN, for 15 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr BEDELL, for 5 minutes, today.

Mr. DODD, for 10 minutes, today.

Mr. SHARP, for 5 minutes, today.

Mr. MOSS, for 5 minutes, today.

Mr. STOKES, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. JOHN L. BURTON, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,876.50.

Mr. WHITTEN, and to include extraneous matter in his remarks made in Committee today.

Mr. OTTINGER, to include a letter from FTC.

Mr. HECHLER of West Virginia, on Senate Joint Resolution 23, restoring posthumously full rights of citizenship to Gen. R. E. Lee.

(The following Members (at the request of Mr. MITCHELL of New York) and to include extraneous matter:)

Mr. GUDE.

Mr. YOUNG of Alaska in two instances.

Mr. ARCHER in two instances.

Mr. CARTER.

Mr. BIESTER.

Mr. DERWINSKI in three instances.

Mr. ARMSTRONG.

Mr. ROUSSELOT in two instances.

Mr. WHALEN in two instances.

Mr. HEINZ.

Mr. ANDERSON of Illinois.

Mr. HYDE.

Mr. DICKINSON.

Mr. RHODES in two instances.

Mr. PEYSER in two instances.

Mr. SHUSTER.

Mr. KEMP in two instances.

Mr. BROYHILL.

Mr. FRENZEL in three instances.

Mr. BURGENER.

Mr. SYMMS.

Mr. DEL CLAWSON.

Mr. SARASIN in two instances.

Mr. SPENCE.

(The following Members (at the request of Mr. HALL) and to include extraneous matter:)

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. BEDELL.

Mr. ROSENTHAL in two instances.

Mr. SOLARZ in three instances.

Mr. MATSUNAGA in two instances.

Mr. FRASER in three instances.

Mr. EILBERG.

Mr. WEAVER in two instances.

Mr. DE LUGO.

Mr. RYAN.

Mr. EDGAR.

Mr. WRIGHT.

Mr. RICHMOND in two instances.

Mr. MEZVINSKY.

Mr. JENRETTE.

Mr. HAWKINS in two instances.

Mr. BURKE of Massachusetts.

Mr. MIKVA.

Mr. STARK in two instances.

Mr. DINGELL in two instances.

Mr. RANGEL.

Mr. ZEFFERETTI.

Mrs. BOGGS.

Mr. BONKER in two instances.

Mr. FITHIAN.

Mr. SIMON.

Mr. SCHEUER.

Mr. BEARD of Rhode Island.
Mr. VANIK.
Mr. HELSTOSKI.
Ms. HOLTZMAN.
Mr. MAZZOLI.
Mr. TRAXLER.
Mrs. SULLIVAN in two instances.
Mr. PATTISON of New York.
Mr. MILLER of California in two instances.
Mr. MELCHER.
Mr. BADILLO.
Mr. MCDONALD of Georgia in two instances.
Mr. FOUNTAIN.
Mr. MCCORMACK.
Mr. MINETA in three instances.
Mr. STOKES in two instances.

SENATE ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolutions of the Senate of the following titles:

S. 435. An act to amend section 301(b)(7) of the Agricultural Adjustment Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31;

S.J. Res. 41. A joint resolution to provide for the reappointment of Thomas J. Watson, Jr., as citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 42. A joint resolution to provide for the reappointment of Dr. John Nicholas Brown as citizen regent of the Board of Regents of the Smithsonian Institution.

ADJOURNMENT

Mr. HALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 33 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 23, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speakers' table and referred as follows:

1435. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a draft of proposed legislation to amend the Federal Deposit Insurance Act (12 U.S.C. 1811–31b), and for other purposes; to the Committee on Banking, Currency and Housing.

1436. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of the receipt of a loan application from the Wenatchee Heights Reclamation District, Chelan County, Wash., under the Small Reclamation Projects Act of 1956, pursuant to section 10 of the act [43 U.S.C. 422j]; to the Committee on Interior and Insular Affairs.

1437. A letter from the Commissioner of Indian Affairs, Department of the Interior, transmitting a draft of proposed legislation to amend certain laws relating to livestock trespass on Indian lands; to the Committee on Interior and Insular Affairs.

1438. A letter from the Comptroller, Defense Security Assistance Agency, transmitting quarterly reports on foreign military sales direct credit and guaranty agreements, pursuant to subsections 36(a)(3) and (4) of the Foreign Military Sales Act, as amended [22 U.S.C. 2776(a)]; to the Committee on International Relations.

1439. A letter from the Secretary of Commerce, transmitting the annual report of the National Marine Fisheries Service for the year 1974, pursuant to 16 U.S.C. 742th; to the Committee on Merchant Marine and Fisheries.

1440. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 3-year period; to the Committee on Public Works and Transportation.

1441. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Highway Safety Act of 1966 to authorize appropriations, and for other purposes; to the Committee on Public Works and Transportation.

RECEIVED FROM THE COMPTROLLER GENERAL

1442. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during the month of June 1975, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

1443. A letter from the Comptroller General of the United States, transmitting a report prepared by the joint financial management improvement program on productivity programs in the Federal Government; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FLOOD: Committee on Appropriations. Adverse report on H.R. 6461. A bill to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting, and for other purposes; (Rept. No. 94–245, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on housing for the elderly: The Federal response (Rept. No. 94–376). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 8650. A bill to assist low-income persons in insulating their homes, to facilitate State and local adoption of energy conservation standards for new buildings, and to direct the Secretary of Housing and Urban Development to undertake research and to develop energy conservation performance standards (Rept. No. 94–377). Referred to the Committee of the Whole House on the State of the Union.

Mr. BERGLAND: Committee of Conference. Conference report on S. 555 (Rept. No. 94–378). Ordered to be printed.

Mr. DIGGS: Committee on the District of Columbia. H.R. 8719. A bill to provide for an amendment to the Washington Metropolitan Area Transit Regulation Compact to provide for the protection of the patrons, personnel, and property of the Washington Metropolitan Area Transit Authority; with amendment (Rept. No. 94–379). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. House Resolution 623. Resolution providing for the consideration of H.R. 4699. A bill to authorize appropriations for fiscal years 1976 and 1977 for carrying out the Board for International Broadcasting Act of 1973 (Rept. No. 94–380). Referred to the House Calendar.

Mr. YOUNG of Georgia: Committee on Rules. House Resolution 624. Resolution providing for the consideration of H.R. 6844. A bill to amend the Consumer Product Safety Act, and for other purposes (Rept. No. 94–381). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 625. Resolution waiving points of order against H.R. 8773. A bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes (Rept. No. 94–382). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 626. Resolution providing for the consideration of S. 846. An act to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes (Rept. No. 94–383). Referred to the House Calendar.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 8714. A bill to amend the Railroad Unemployment Insurance Act to increase unemployment and sickness benefits, and for other purposes; with amendment (Rept. No. 94–384). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARMSTRONG:

H.R. 8789. A bill to amend the Internal Revenue Code of 1954 to provide that members of a Reserve component of the Armed Forces will not be disqualified from taking the deduction for retirement savings because of their participation in the Armed Forces retirement system; to the Committee on Ways and Means.

By Mr. ARMSTRONG (for himself, Mr. BAFALIS, Mr. EVANS of Colorado, Mr. GRASSLEY, Mr. KINDNESS, Mr. MADIGAN, Mr. MCCOLLISTER, and Mr. MCDONALD of Georgia):

H.R. 8790. A bill to limit the liability of a broker who sells any agricultural commodity on behalf of his principal when that commodity serves as security for any loan made, insured, or guaranteed under a program administered by the Farmers Home Administration; to the Committee on Agriculture.

By Mr. BINGHAM:

H.R. 8791. A bill to prohibit all prior restraint against the exercise of first amendment rights except as specifically provided herein; to the Committee on the Judiciary.

By Mr. DE LUGO:

H.R. 8792. A bill to authorize the Secretary of the Interior to appraise the needs and opportunities for agricultural development in the Virgin Islands through irrigation and other technology; to the Committee on Interior and Insular Affairs.

By Mr. FOLEY (for himself, Mr. FRASER, Mr. HANLEY, Mr. HUGHES, Mr. REES, Mr. STARK, and Mr. CHARLES WILSON of Texas):

H.R. 8793. A bill to amend the act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes; to the Committee on Agriculture.

By Mr. FRASER (for himself, Mr. MAZZOLI, Mr. ANDERSON of California, Mr. BAUCUS, Mr. BEDELL, Mr. BERGLAND, Mr. CARNEY, Mr. CARR, Mrs. CHISHOLM, Mr. CLAY, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DIGGS, Mr. DOWNEY of New York, Mr. EDWARDS of California, Mr. EILBERG, Mrs. FENWICK, Mr. FORD of Tennessee, and Mr. HAMILTON):

H.R. 8794. A bill to clarify the prohibition against making false statements in matters within the jurisdiction of a department or agency of the United States; to the Committee on the Judiciary.

By Mr. FRASER (for himself, Mr. MAZZOLI, Mr. HANNAFORD, Mr. HAWKINS, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. JACOBS, Mrs. KEYS, Mr. KREBS, Mr. LEGGETT, Mr. MCCLOSKEY, Mr. MAGUIRE, Mr. MATSUNAGA, Mrs. MEYNER, Mr. MINETA, Mr. MOSS, Mr. NEAL, Mr. NIX and Mr. NOLAN):

H.R. 8795. A bill to clarify the prohibtion against making false statements in matters within the jurisdiction of a department or agency of the United States; to the Committee on the Judiciary.

By Mr. FRASER (for himself, Mr. MAZZOLI, Mr. OTTINGER, Mr. PRESSLER, Mr. QUIE, Mr. REES, Mr. RIEGLE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. RYAN, Mr. SANTINI, Mr. SARBANES, Mrs. SCHROEDER, Mr. SEIBERLING, Mrs. SPELLMAN, Mr. STARK, Mr. WAXMAN, and Mr. WIRTH):

H.R. 8796. A bill to clarify the prohibition against making false statements in matters within the jurisdiction of a department or agency of the United States; to the Committee on the Judiciary.

By Mr. GIBBONS:

H.R. 8797. A bill to authorize the 101st Airborne Division Association to erect a memorial in the District of Columbia or its environs; to the Committee on House Administration.

By Mr. HINSHAW (for himself, Mr. KETCHUM, Mr. ASPIN, Mr. CARTER, Mr. ROE, Mr. PEPPER, Mr. FISH, Mr. BURKE of Massachusetts, Mr. HARRINGTON, Mr. KINDNESS, Mr. MOAKLEY, Mr. FULTON, Mr. STARK, Mr. ESCH, Mr. CARR, Mr. MITCHELL of Maryland, Mrs. SPELLMAN, and Mr. WHITE):

H.R. 8798. A bill to provide that the U.S. Postal Service may not require the installation of mailboxes at the curb line of residential property in certain localities; to the Committee on Post Office and Civil Service.

By Mr. LANDRUM:

H.R. 8799. A bill to provide for rearranging the period for averaging business profits and losses, to prohibit the trafficking in net operating loss carry-forwards, and for other purposes; to the Committee on Ways and Means.

By Mr. McCORMACK (for himself, Mr. BROWN of California, Mr. TEAGUE, Mr. MOSHER, Mr. GOLDWATER, Mr. HECHLER of West Virginia, Mr. BELL, Mr. FUQUA, Mr. WINN, Mr. SYMINGTON, Mr. FREY, Mr. THORNTON, Mr. ESCH, Mr. OTTINGER, Mr. CONLAN, Mr. WAXMAN, Mr. HAYES of Indiana, Mr. HARKIN, Mr. AMBRO, Mr. DODD, Mr. KRUEGER, Mrs. LLOYD of Tennessee, and Mr. WIRTH):

H.R. 8800. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles; to the Committee on Science and Technology.

By Mr. McEWEN:

H.R. 8801. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. MELCHER:

H.R. 8802. A bill to amend the Fair Credit Reporting Act with regard to prohibiting the inclusion of information of records of arrest, indictment, or conviction of crime in consumer reports under certain specified circumstances; to the Committee on Banking, Currency and Housing.

By Mr. METCALFE:

H.R. 8803. A bill to amend section 518(b) of the National Housing Act for the purpose of extending the time period during which a mortgage had to be insured in order to receive benefits under such section; to the Committee on Banking, Currency and Housing.

By Mr. MINISH:

H.R. 8804. A bill to insure the right to an education for all handicapped children and to provide financial assistance to the States for such purpose; to the Committee on Education and Labor.

By Mr. OBERSTAR:

H.R. 8805. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

By Mr. PATTERSON of California:

H.R. 8806. A bill to govern the disclosure of certain financial information by financial institutions to governmental agencies, to protect the constitutional rights of citizens of the United States, and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing disclosure of such information, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. PATTISON of New York (for himself, Mr. LAFALCE, Mr. SCHEUER, and Mr. TREEN):

H.R. 8807. A bill to authorize the States to carry out certain functions of the Secretary of the Army and the Chief of Engineers on intrastate waters; to the Committee on Public Works and Transportation.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 8808. A bill to amend title 10, United States Code, to permit persons from selected foreign countries to receive instruction at the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy, and for other purposes; to the Committee on Armed Services.

By Mr. ROBINSON:

H.R. 8809. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. SOLARZ:

H.R. 8810. A bill to amend title II of the Social Security Act to provide that the special minimum primary insurance amount thereunder shall be increased—in like manner as other benefits thereunder are increased—to take account of increases in the cost of living; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 8811. A bill to amend the Communications Act of 1934 with respect to the renewal of licenses for the operation of broadcasting stations; to the Committee on Interstate and Foreign Commerce.

By Mr. BEDELL:

H.R. 8812. A bill to amend the Provisions of the Social Security Act to consolidate the wages by employers for income tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS (for himself, Mr. ESCH, Mr. BERGLAND, Mr. MOTTL, Mr. RISENHOOVER, Mr. SMITH of Iowa, Mrs. SPELLMAN, and Mr. WHITE):

H.R. 8813. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional consultation and education to employers, and for other purposes; to the Committee on Education and Labor.

By Mr. FLOWERS:

H.R. 8814. A bill to amend title 39, United States Code, to provide that certain publications of institutions of higher education shall qualify for second-class mail rates; to the Committee on Post Office and Civil Service.

By Mr. FORSYTHE:

H.R. 8815. A bill to amend the Social Security Act to make certain that recipients of aid or assistance under the various Federal-State public assistance and medicaid programs (and recipients of assistance under the veterans' pension and compensation programs or any other Federal or federally assisted purogram) will not have the amount of such aid or assistance reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. GUDE (for himself, Mr. DOWNEY of New York, Mr. HECHLER of West Virginia, Mr. FRASER, Mr. BROWN of California, Mr. DRINAN, Mr. HARRINGTON, Mr. BROYHILL, Mr. PRESSLER, Mr. MIKVA, Mr. KREBS, Mr. BEDELL, Mr. COHEN, Mr. BOLAND and Mr. ANDERSON of Illinois):

H.R. 8816. A bill to amend title 39, United States Code, to increase to 90 days the period before an election during which a Member of, or Member-elect to the Congress may not make a mass mailing as franked mail if such Member or Member-elect is a candidate in such election; to the Committee on Post Office and Civil Service.

By Mr. HEINZ:

H.R. 8817. A bill to amend title 38 of the United States Code in order to provide that recipients of veterans' pension and dependency and indemnity compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. KOCH (for himself, Mr. BINGHAM, and Mr. GILMAN):

H.R. 8818. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. MAGUIRE (for himself, Mr. MCHUGH, Mr. BEDELL, Mr. BROWN of California, Mrs. CHISHOLM, Mr. CONYERS, Mr. DOWNEY of New York, Mr. FRASER, Mr. KREBS, Mr. MEEDS, Mr. OTTINGER, Mr. PATTISON of New York, Mr. SIMON, Mr. UDALL, and Mr. VANDER VEEN):

H.R. 8819. A bill to amend the Internal Revenue Code of 1954 to provide for public financing of congressional primary and general elections; to the Committee on House Administration.

By Mr. MEZVINSKY:

H.R. 8820. A bill to amend the Food Stamp Act; to the Committee on Agriculture.

By Mr. MILLER of Ohio:

H.R. 8821. A bill to provide that in a civil action where the United States is a plaintiff, a prevailing defendant may recover a reasonable attorney's fee and other reasonable litigation costs; to the Committee on the Judiciary.

By Mr. MINETA:

H.R. 8822. A bill to amend sections 8331 and 8332 of title 5, United States Code, with respect to the creditable service of U.S. Commissioners for purposes of civil service retirement; to the Committee on Post Office and Civil Service.

H.R. 8823. A bill to amend title 5, United States Code, to allow credit for civil service retirement purposes for time spent by Japanese-Americans in World War II interment camps; to the Committee on Post Office and Civil Service.

By Mr. MINISH:

H.R. 8824. A bill to prohibit the use of dogs by the Department of Defense in connection with the research, testing, development, or evaluation of radioactive, chemical, or biological warfare agents, and to require the Department of Defense to develop and use, where feasible, alternative, nonanimal methods of experimentation; to the Committee on Armed Services.

By Mr. OTTINGER (for himself, Mr. ROE, Mr. BINGHAM, Mr. PEYSER, Mr. FORSYTHE, Mr. CORMAN, Mr. SCHEUER, Ms. SPELLMAN, Mr. EILBERG, Mr. RODINO, Mr. MELCHER, Mr. BADILLO, Ms. CHISHOLM, Mr. HECHLER of West Virginia, Mr. MAZZOLI, Mr. PEPPER, Mr. RANGEL, Mr. STUDDS, Mr. MOAKLEY, Mr. DOWNEY, of New York, Mr. SOLARZ, Mr. ROONEY, and Mr. BIAGGI):

H.R. 8825. A bill to assist the construction and operation of burn facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. PEYSER (for himself and Mr. HILLIS):

H.R. 8826. A bill to protect the economic rights of labor in the building and construction industry by providing for equal treatment of craft and industrial workers; to the Committee on Education and Labor.

By Mr. RAILSBACK (for himself, Mr. KASTENMEIER, and Mr. BALDUS):

H.R. 8827. A bill to regulate lobbying and related activities; jointly to the Committees on the Judiciary, and Standards of Official Conduct.

By Mr. ROGERS:

H.R. 8828. A bill to require that certain members of the Armed Forces discharged for service-connected disabilities before the taking effect of the Career Compensation Act of 1949 be provided transportation on military aircraft on a space-available basis; to the Committee on Armed Services.

By Mr. TREEN:

H.R. 8829. A bill to amend the Internal Revenue Code of 1954 to provide for automatic cost-of-living adjustments of the income tax rates, of the amounts of the corporate surcharge exemption, personal exemption, and standard deduction, and of the depreciation deduction, and for other purposes; to the Committee on Ways and Means.

By Mr. CHARLES WILSON of Texas:

H.R. 8830. A bill to amend the Federal Aviation Act of 1958 to require the Civil Aeronautics Board to rescind the authority of any air carrier to provide nonstop service between any two points if such authority is not utilized within a certain period of time; to the Committee on Public Works and Transportation.

By Mr. CHARLES WILSON of Texas (for himself, and Ms. KEYS):

H.R. 8831. A bill to amend the definition of "rural area" in the Consolidated Farm and Rural Development Act and title V of the Housing Act of 1949 in order to permit towns of 25,000 or less inhabitants to be considered rural areas for purposes of those acts; to the Committee on Agriculture.

By Mr. CHARLES WILSON of Texas (for himself, and Mr. PICKLE):

H.R. 8832. A bill to amend the act establishing the Big Thicket National Preserve to provide for the acquisition of property; to the Committee on Interior and Insular Affairs.

By Mr. EILBERG (for himself, Mr. TRAXLER, Mr. RODINO, Mr. CARNEY, Mr. BROWN of California, Mr. GRADISON, Mr. NIX, Mr. JOHN L. BURTON, Mr. BLANCHARD, Mr. YATES, Mr. DOWNEY of New York, Mr. FLOOD, Mr. OTTINGER, Mr. REES, Mr. DRINAN, Mr. MCDONALD of Georgia, Mr. HARRIS, Mr. LONG of Maryland, Mr. PEPPER, Mr. MOORHEAD of Pennsylvania, Mr. FRENZEL, Mr. GILMAN, Mr. ROSENTHAL, Mr. HYDE and Mr. SOLARZ):

H.J. Res. 579. Joint resolution to designate January 6, 1976, as Haym Salomon Day; to the Committee on Post Office and Civil Service.

By Mr. EILBERG (for himself and Mr. WAXMAN):

H.J. Res. 580. Joint resolution to designate January 6, 1976, as Haym Salomon Days; to the Committee on Post Office and Civil Service.

By Mr. MYERS of Indiana (for himself, Mr. CARNEY, Mr. DOWNEY of New York, Mr. CLEVELAND, Mr. FRASER, Mrs. SULLIVAN, and Mr. SYMINGTON):

H.J. Res. 581. Joint resolution to authorize the President to issue a proclamation designating the week of November which includes Thanksgiving Day in each year as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. PEYSER (for himself and Mr. FISH):

H.J. Res. 582. Joint resolution authorizing the President to proclaim January 17, 1976 as National Volunteer Firefighter Day; to the Committee on Post Office and Civil Service.

By Mr. TRAXLER (for himself, Mr. ROSE, Mr. VANDER VEEN, Mr. RIEGLE, and Mr. JENRETTE):

H.J. Res. 583. Joint resolution to require the Attorney General of the United States to conduct an investigation to determine whether antitrust violations are occurring in the manufacture or marketing of replacement home canning lids and for other purposes; to the Committee on the Judiciary.

By Mr. WHITEHURST (for himself and Mr. LITTON):

H.J. Res. 584. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BINGHAM (for himself, Mr. MIKVA, Mr. PEYSER, Mr. FRENZEL, Mr. CARNEY, Mr. ADAMS, Mr. COTTER, Mr. LENT, Mr. CONTE, Mr. STEELMAN, Mr. MAGUIRE, Mr. HORTON, Mr. LITTON, Mr. DOMINICK V. DANIELS, Mr. BRADEMAS, Mr. HANNAFORD, Mr. BROWN of California, Mr. LAFALCE, Mr. GREEN, Mr. BOLAND, Mr. BURKE of Massachusetts, Mr. ROSE, Mr. MAZZOLI, Mrs. SPELLMAN, and Mr. KREBS):

H. Con. Res. 350. Concurrent resolution disapproving the proposed sales to Jordan of the Hawk missile and Vulcan antiaircraft systems; to the Committee on International Relations.

By Mr. BINGHAM (for himself, Mr. HELSTOSKI, Mr. FISHER, Mr. SEIBERLING, Mr. MURPHY of New York, and Mr. MCKINNEY):

H. Con. Res. 351. Concurrent resolution disapproving the proposed sales to Jordan of the Hawk missile and Vulcan antiaircraft systems; to the Committee on International Relations.

By Mr. CRANE (for himself, Mr. BURKE of Florida, Mr. KETCHUM, Mr. BAUMAN, Mr. LENT, Mr. STEIGER of Arizona, Mr. KEMP, Mr. MADIGAN, Mr. O'BRIEN, and Mr. HYDE):

H. Con. Res. 352. Concurrent resolution disapproving the proposed sales to Jordan of the Hawk missile and Vulcan antiaircraft systems; to the Committee on International Relations.

By Mr. MCDONALD of Georgia:

H. Con. Res. 353. Concurrent resolution to invite Alexandr Solzhenitsyn to address a joint meeting of the House of Representatives and Senate; to the Committee on Rules.

By Mr. RANGEL (for himself, Ms. ABZUG, Mr. BADILLO, Mr. BEDELL, Mr. BIAGGI, Ms. BURKE of California, Ms. CHISHOLM, Mr. COTTER, Mr. DOWNEY of New York, Mr. EDWARDS of California, Mr. FORD of Tennessee, Mr. HAWKINS, Mr. KINDNESS, Mr. KOCH, Mr. METCALFE, Mr. MITCHELL of Maryland, Mr. MOTTL, Mr. MURPHY of Illinois, Mr. OTTINGER, Mr. PATTERSON of California, Mr. PEPPER, Mr. PEYSER, Mr. QUIE, Mr. RIEGLE, and Mr. ROE):

H. Con. Res. 354. Concurrent resolution relative to the elimination of illegal drug traffic from Turkey; to the Committee on International Relations.

By Mr. RANGEL (for himself, Mr. ROSENTHAL, Mr. ROYBAL, Mr. RUSSO, Mr. SOLARZ, and Mr. ZEFERETTI):

H. Con. Res. 355. Concurrent resolution relative to the elimination of illegal drug traffic from Turkey; to the Committee on International Relations.

By Mr. HANLEY:

H. Res. 618. Resolution establishing a select committee to study the problems of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

By Mr. HYDE:

H. Res. 619. Resolution to create a Select Committee on Energy; to the Committee on Rules.

By Mr. LONG of Maryland (for himself, Mr. HAWKINS, Mr. DOMINICK V. DANIELS, Mr. KETCHUM, Mr. MURPHY of Illinois, Mr. HELSTOSKI, Mr. MITCHELL of New York, Mr. RODINO, Mr. DOWNEY of New York, Mr. FITHIAN, Mr. LAFALCE, Mr. BADILLO, Mr. FISHER, Mr. COHEN, and Mr. STARK):

H. Res. 620. Resolution to amend rule X of the Rules of the House of Representatives to establish a permanent Select Committee on Energy; to the Committee on Rules.

By Mr. PICKLE (for himself, Mr. ROSE, Mr. TEAGUE, Mr. RICHMOND, Mr. DICKINSON, Mr. MCCORMACK, Mr. MOSHER, and Mr. DINGELL):

H. Res. 621. Resolution directing the Architect of the Capitol to study the feasibility of using solar energy in certain House office buildings, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. RUSSO (for himself, Ms. ABZUG, Mr. AMBRO, Mr. BEARD of Rhode Island, Mr. BIAGGI, Mr. BLOUIN, Mr. BROWN of California, Mr. JOHN L. BURTON, Mr. DOMINICK V. DANIELS, Mr. DOWNEY of New York, Mr. EDWARDS of California, Mr. EILBERG, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. HOWARD, Mr. MIKVA, Mr. MINETA, Mr. MOFFETT, Mr. MURPHY of Illinois, Mr. NOLAN, Mr. RANGEL, Mr. WHITEHURST, Mr. YATRON and Mr. ZEFERETTI):

H. Res. 622. Resolution expressing the sense of the House of Representatives that the ban on military assistance to Turkey should not be lifted until such time as Turkish forces are withdrawn from Cyprus and there is a negotiated settlement in Cyprus; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HANNAFORD:

H.R. 8833. A bill for the relief of June Howard; to the Committee on the Judiciary.

By Mr. HASTINGS:

H.R. 8834. A bill for the relief of Chester F. Kozlowski; to the Committee on Merchant Marine and Fisheries.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

173. The SPEAKER presented a petition of the Chicago Captive Nations Week Committee, Chicago, Ill., relative to the Captive Nations and U.S. relations with the Soviet Union which was referred jointly to the Committees on International Relations, Armed Services, and Rules.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 7014

By Mr. EDGAR:

Page 298, in line 18, after the comma, add "as equipped,"

Page 298, in line 22, add the words "and equipment"

Page 300, after line 6, add the following:

(e) no manufacturer, distributor, or retailer may make any representation—

(1) in writing (including a representation in an advertisement), or

(2) in any broadcast advertisement,

a miles per gallon fuel efficiency figure as measured by EPA to represent a model or model type unless at least 60 percent of the vehicles represented in such writing or broadcast advertisement are certified by EPA as achieving the minimum fuel efficiency cited in the representation.

(f) any representation of EPA fuel efficiency figures which does not comply with (e) must show the entire range of EPA figures for that model or model type as represented, as well as the projected sales weighted average fuel efficiency of the model or model type represented as determined by EPA.

(g) no manufacturer shall designate models with confusingly similar names. Violation of this provision will be a civil penalty. The Federal Trade Commission will prescribe regulations to enforce this provision, assess and collect fines.

Page 300, strike out the period and insert ", or"

Page 300, after line 18, add the following:

(4) failure to comply with representation standards under section (506)(e), (506)(f), and (506)(g)

Page 303, after line 22, add the following:

(c) If the Federal Trade Commission determines that a manufacturer, distributor, or retailer has violated section 506(e) and/or 506(f) of this Act, it shall assess penalties provided for under subsection (1)

(c)(1) Any manufacturer, distributor, or retailer who the Federal Trade Commission determines to have violated Section (506)(e) and/or (506)(f) of this Act shall be liable for a civil penalty equal to $5000 for each violation, each representation violating Section (506)(e) and/or (506)(f) constituting a separate violation.

(c)(2) The amount of such civil penalty shall be assessed and collected by the Federal Trade Commission in a civil action. The Federal Trade Commission shall have the discretion to compromise, modify, remit, with or without conditions, any civil penalty assessed against a manufacturer, distributor, or retailer only to the extent necessary to prevent the insolvency or bankruptcy of such manufacturer, distributor, or retailer.

By Mr. JEFFORDS:

Page 306, line 20, after the period, add the following: "With respect to beverage containers, the term 'energy use' means energy efficiency."

Page 306, line 23, after the period, add the following: "With respect to beverage containers, the term 'energy efficiency' means the relationship of the units of energy resources required to produce a beverage container to the amount of beverage it contains. The Secretary, in determining the energy efficiency with respect to beverage containers, shall adjust any such determination to take into account the extent to which such containers are reused or recycled."

Page 308, after the period in line 12, insert the following: "With respect to beverage containers, the term 'manufacture' also means the recycling or reuse of a beverage container."

Page 309, after line 5, add the following:

(16) The term "beverage container" means a bottle, jar, can, or carton of glass, plastic, or metal, or any combination thereof, used for packaging or marketing beer or any other malt beverage, mineral water, soda water, or a carbonated soft drink of any variety in liquid form which is intended for human consumption."

Page 309, after line 18, insert the following:

(12) Beverage Containers.

Page 309, line 19, strike out "(12)" and insert in lieu thereof "(13)".

Page 310, line 11, strike out "(11)" and insert in lieu thereof "(12)".

Page 312, line 6, after "(9)", insert "and paragraph (12)".

Page 312, line 14, strike out "(12)" and insert in lieu thereof "(13)".

Page 313, line 11, strike out "(11)" and insert in lieu thereof "(12)".

Page 315, after line 16, insert the following:

(4) If the Secretary determines that consumer products of the type described in paragraph (12) of section 551(b) achieve the energy efficiency target described in section 554(a)(1), then no labeling requirement under this section may be promulgated or remain in effect with respect to such type.

Page 317, line 20, strike out "(11)" and insert in lieu thereof "(12)".

Pafe 317, line 20, strike out "(11)" and insert in lieu thereof "(12)".

By Mr. OTTINGER:

On page 267, in section 412(a)(1) (line 8), change $2,000,000 to $5,000,000.

On page 268, change the period in line 4 to "; and" add a new subsection (D) following line 4 as follows:

"(D) exchange of information from one State to another and evaluation of the results of various techniques and technologies used to reduce per capita usage of energy, including supporting data; such evaluations to be transmitted to appropriate Federal agencies and to the Congress as well as to other States, to units of local government and to the general public."

Page 306, line 18, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 307, line 5, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 307, line 11, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 309, strike out lines 4 and 5.

Page 309, line 20, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 310, line 6, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 310, line 22, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 311, line 18, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 313, line 3, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 313, line 11, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 313, line 23, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 314, lines 12 and 13, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 315, line 6, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 315, line 19, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 316, line 4, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 317, line 10, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 317, line 13, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 317, line 17, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 318, line 1, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 318, line 15, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 318, line 23, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 319, line 23, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 320, line 5, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 320, line 9, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 320, lines 15 and 16, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 320, line 18, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 320, lines 20 and 21, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 321, line 3, strike out "Secretary" in both places it appears and insert in lieu thereof in both places "Administrator".

Page 321, line 9, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 321, line 16, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 322, line 23, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 322, line 25, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 323, line 3, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 323, line 8, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 323, line 13, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 323, line 22, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 324, line 3, strike out "Secretary" and insert in lieu thereof: "Administrator and the Commission may each".

Page 324, strike out lines 10 and 11, and insert in lieu thereof the following: "person subject to this part, the Secretary and Commission may each seek an order from the district court".

Page 327, line 2, before the period insert ", which shall be assessed by the Federal Trade Commission".

Page 327, line 3, strike out "Secretary" and insert in lieu thereof "Commission".

Page 327, strike out line 25 and line 1 on page 328 and insert in lieu thereof the following: section 553 or 554. Such action may be brought in any United States district court for a

Page 328, line 11, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 328, line 22, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 329, line 8, strike out "Secretary" in both places it appears and insert in lieu thereof in both places "Administrator".

Page 330, line 6, strike out "Secretary" and insert in lieu thereof "Administrator".

Page 330, line 6, strike out "The Secretary" and all that follows down through line 9.

Page 330, line 12, strike out "such agreement" and insert in lieu thereof "this part".

Page 330, strike out line 15 and all that follows down through line 10 on page 331 and insert in lieu thereof the following:

"(b) The Administrator may enter into an agreement with the National Bureau of Standards to aid the Administrator, on a reimbursable basis, in performing research and analyses related to energy use and energy efficiency of products, and in developing and recommending to him test procedures, labeling requirements, and energy efficiency standards."

By Mr. SANTINI:

On page 273, after line 4, insert the following:

GOVERNMENT USE OF LIMOUSINES

SEC. 416. (a) As used in this section:

(1) The term "limousine" means a type 6 vehicle as defined in the Amendment to Interim Federal Specification, Automobile Sedan, issued by the General Services Administration, December 1, 1974.

(2) The term "passenger automobile" has the same meaning as such term has under section 501 of this Act.

(3) The term "Government agency" means any department, agency, instrumentality, or authority of the executive, legislative, or judicial branch of the Federal Government, or any independent agency thereof.

(b) Except as provided in subsection (c), a Government agency may not—

(1) purchase, hire, lease, operate, or maintain any limousine;

(2) employ or procure the services of any person as a driver for a single officer or employee of a Government agency; or

(3) purchase, hire, lease, operate, or maintain passenger automobiles for the transportation of any officer or employee of a Government agency between his dwelling and his place of employment, except in the case of (A) a medical officer on outpatient medical service, or (B) an officer or employee engaged in field work in remote areas, the character of whose duties make such transportation necessary, and in either such case, only when such exception is approved by the head of the Government agency concerned.

(c) Subsection (b) does not apply to the purchase, hire, lease, operation, or maintenance of—

(1) motor vehicles for the transportation of Ambassadors stationed or conducting business abroad, or for the personal use by the President, and one each for use by the Vice President of the United States, the head of each Executive Department, the Chief Justice of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, the Majority and Minority Leaders of the Senate and of the House of Representatives, the Majority and Minority Whips of the Senate and of the House of Representatives, and the United States Representative to the United Nations, or

(2) motor vehicles primarily designed for military field training, combat, or tactical purposes.

(d) No officer or employee of a Government agency, other than those referred to in subsection (b)(3)(A) or (B) or subsection (c), may be furnished a passenger automobile for his exclusive use if such vehicle is to be operated by a person other than such officer or employee.

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By Mr. DINGELL:

Page 10, line 4, strike out "$1,000,000" and insert in lieu thereof "$10,000,000".

By Mr. GOLDWATER:

Page 39, line 20, strike the figure $406,594,000 and insert in lieu thereof the figure $444,404,000.

And on page 40, line 14, strike the figure $104,568,000 and insert in lieu thereof the figure $113,108,000.

Page 41, line 5, strike the figure $20,425,000 and insert in lieu thereof the figure $26,425,000.

And on page 41, lines 12 and 13, strike the figure $8,200,000 and insert in lieu thereof the figure $10,100,000.

By Mr. HECHLER of West Virginia:

On page 17, line 7, strike "$76,136,000" and insert therein "$77,536,000".

On page 17, line 22, insert a comma after the word "authorized" and the following: "in consultation with authorized representatives of the miners,".

On page 18, line 17, insert a semi-colon after the word "research" and the following: "*Provided*, That no funds shall be available for such research that is not coordinated with the Mining Enforcement and Safety Administration."

By Mr. McCORMACK:

Page 39, line 20, strike the figure $406,594,000 and insert in lieu thereof the figure $473,504,000.

And on page 40, line 14, strike the figure $104,568,000 and insert in lieu thereof the figure $121,268,000.

Page 41, line 5, strike the figure $20,425,000 and insert in lieu thereof the figure $27,625,000.

And on page 41, lines 12 and 13, strike the figure $8,200,000 and insert in lieu thereof the figure $10,100,000.

By Mr. SOLARZ:

At page 12, line 9, strike out "$26,255,000" and insert in lieu thereof "$28,755,000" and, line 12, strike out "$7,100,000" and insert in lieu thereof "$7,725,000".

SENATE—*Tuesday, July 22, 1975*

Legislative day of Monday, July 21, 1975

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DALE BUMPERS, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, DD., offered the following prayer:

O God, whose spirit has been promised to those of a humble and contrite heart, let Thy spirit pervade this place. May Thy spirit be in our minds, to guide our thoughts. May Thy spirit be in our hearts to keep our motives pure. May Thy spirit be upon our lips, to preserve us from wrong speaking, to help us to speak truly. May Thy spirit be upon our hands that they may perform deeds of service. May Thy spirit unite us in common endeavor that we may advance Thy kingdom of justice and righteousness. May Thy spirit so completely rule our lives that they may be wise with Thy wisdom and beautiful with Thy love.

We pray in His name who taught us the way of the Servant. 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 assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 22, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DALE BUMPERS, a Senator from the State of Arkansas, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BUMPERS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, July 21, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF TIME FOR FILING COMMITTEE REPORT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Government Operations be authorized to file reports until midnight tonight.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations will be stated.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The assistant legislative clerk read the nomination of Forrest David Mathews, of Alabama, to be Secretary of Health, Education, and Welfare.

Mr. MANSFIELD. Mr. President, I think that this is an extremely fortunate nomination of this young man of such great promise, who has accomplished so much in a short lifetime, has been unanimously reported by the Committee on Finance. I anticipate that he will be one of the outstanding members of the President's Cabinet.

Mr. HUGH SCOTT. Will the distinguished majority leader yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. HUGH SCOTT. I have just met Dr. Mathews. I am very much impressed with him. He has administrative experience. He seems to have an entirely realistic attitude about the problems of the Department and yet a compassionate concern for the work which the Department was designed to do. I join in the praise of his appointment.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. ALLEN. Mr. President, I am proud that the President of the United States has seen fit to nominate for Secretary of HEW Dr. Forrest David Mathews, now president of the University of Alabama. I have mixed feelings about this matter, because we hate to lose Dr. Mathews from the State of Alabama, even for a short time. He has been an outstanding citizen of our State. He has done a tremendous job as president of the University of Alabama. He is truly one of our outstanding citizens.

Dr. Mathews did not seek this appointment. The position sought him. The President sought him and offered him the position. Dr. Mathews has a deep sense of responsibility, a deep sense of his obligation to his country and to a career of public service. I feel that he is an outstanding choice. For that reason, I am glad that he has been nominated, because I believe he will do a magnificent job as Secretary of the Department of HEW. I have known Dr. Mathews for many years. I regard him as an independent thinker, a man of excellent