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Congressional Record

PROCEEDINGS AND DEBATES OF THE 92d CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Wednesday, April 28, 1971*

The House met at 12 o'clock noon.

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

This is the day which the Lord has made: Let us rejoice and be glad in it.—Psalms 118: 23.

Our hearts rejoice, our Father, for this new day Thou hast made and given to us. May we live through it with faith and hope and love alive within us. We thank Thee for the privilege of working together with Thee for things which matter most to our people. Prosper us in our planning, encourage us in our endeavors, and strengthen us as we step forward on behalf of our country. Let not any pettiness, any prejudice, or any pride get in the way of our accomplishments but with a passion for justice and truth may we pursue our upward way until the earth shall be fair with the brightness of brotherhood, the presence of peace, and the glory of goodness. In the spirit of Christ we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

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

S. 1557. An act to provide financial assistance to local educational agencies in order to establish equal educational opportunities for all children, and for other purposes.

RESIGNATION FROM BOARD OF VISITORS TO THE U.S. MILITARY ACADEMY

The SPEAKER laid before the House the following resignation from the Board of Visitors to the U.S. Military Academy:

APRIL 27, 1971.

Hon. CARL ALBERT,
Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: It has been a distinct honor for me to serve on the Board of Visitors to the United States Military Academy on a number of occasions. Since it will be impossible for me to attend the next regular meeting of the Board, I would like to resign as a member of the Board so that you may appoint one of the Members who may attend this important meeting.

With kind personal regards, I am,
Sincerely yours,
WILLIAM H. NATCHER.

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

There was no objection.

APPOINTMENT AS MEMBER OF BOARD OF VISITORS TO THE U.S. MILITARY ACADEMY

The SPEAKER. Pursuant to the provisions of 10 United States Code 4355(a), the Chair appoints as a member of the Board of Visitors to the U.S. Military Academy the gentleman from Missouri (Mr. HULL) to fill the existing vacancy thereon.

MENDEL J. DAVIS

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

Mr. EDMONDSON. Mr. Speaker, there is good news for the country from South Carolina this morning. The voters of the First Congressional District of South Carolina are to be congratulated upon their selection of an outstanding young man to succeed our late beloved colleague, Mendel Rivers, as Congressman from that district.

MENDEL J. DAVIS, 28 years old, of Charleston, will be the youngest Democrat in the 92d Congress. He won his election yesterday against overwhelming Republican opposition and against a national effort on the part of the opposition that was almost unparalleled for that part of the country.

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

Mr. EDMONDSON. I am happy to yield to the distinguished majority leader.

Mr. BOGGS. Mr. Speaker, I would like to commend the gentleman and also his cochairman, the gentleman from Massachusetts (Mr. O'NEILL) and Ken Harding for the fine job they all did in the successful campaign of MENDEL J. DAVIS.

Mr. EDMONDSON. I thank the distinguished majority leader very much.

I would like to say this: That despite the fact that speakers of national prominence were called in to lead the Republican campaign, and despite the fact that the Republican Party heavily committed its prestige and financial support to this election, this fine young Democrat received 37,857 votes and scored an outstanding victory.

REPUBLICAN PROGRESS IN SOUTH CAROLINA

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

Mr. GERALD R. FORD. Mr. Speaker, naturally I welcome the newly elected Member from South Carolina to the House of Representatives. The gentleman comes from a wonderful part of the country, and he succeeds one of our most able and beloved Members of this body, the late Mendel Rivers.

I would point out, however, to my friend, the gentleman from Oklahoma (Mr. EDMONDSON) that the figures as I saw them in the morning paper today were some 33,000 votes for the winner, and approximately 29,000 for the Republican candidate.

I suspect that those 29,000 votes for a Republican in a congressional contest in Charleston, S.C., is an alltime high, and that the percentage of the Republican vote in that congressional district contest is an alltime high. I would just say to my friend, the gentleman from Oklahoma (Mr. EDMONDSON) that we are making progress in South Carolina, and we are making progress nationally, and that my friend can crow this time, but he will be disappointed in the future.

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

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Speaker, the figures given by the gentleman from Michigan (Mr. GERALD R. FORD) are not up to date. Mr. DAVIS had over 37,000 votes, and that is just a little over half of what Mr. GOLDWATER got in that same district a few years ago.

Mr. GERALD R. FORD. We are glad that Mr. GOLDWATER did very well in 1964, which I think is indicative of the kind of progress we are making, and that any of the figures he quotes should not give the gentleman from Oklahoma any pleasure or rejoicing.

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

INTERNATIONAL WALK FOR DEVELOPMENT WEEKEND

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

Mr. HICKS of Washington. Mr. Speaker, I take this time to express my support for House Joint Resolution 553 calling for the designation of May as Human Development Month, and the weekend of May 8 and 9 as International Walk for Development Weekend.

We are all aware of the excellent work the Young World Development and its parent organization, the American Freedom From Hunger Foundation, has been doing in the area of human resource development. This organization, made up primarily of young men and women, raises funds for domestic and international development through annual "walks" in local communities.

As was pointed out by our colleagues, Congressman SCHWENGEL and Congressman FRASER, last year walks were conducted in over 135 communities throughout our country, and some $2.5 million was raised. This year the foundation's walk weekend is scheduled for May 8 and 9, and the coordinator for the walk in Tacoma, Wash., has advised me that between 6,000 and 8,000 people are expected to participate in the Tacoma walk alone.

In my view, these young people are constructively demonstrating their concern for the poverty, hunger, disease, and other problems afflicting this Nation and the world. In addition, their efforts help make us all more aware of our own personal responsibility and commitment in helping solve these problems.

Mr. Speaker, the young people in the United States who walk on May 8 and 9 will be joined by others in over 40 nations around the world. As a cosponsor of the resolution before us today, I would urge that these efforts be formally recognized by this Congress.

PROPOSED DEPRECIATION REGULATIONS

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

Mr. FREY. Mr. Speaker, with the Internal Revenue Service hearings being held next week on the new depreciation guidelines, I think it is timely to review what has happened since the termination of the investment tax credit and why the new guidelines are needed.

The productivity growth rate in the past 4 years has dropped from a 3-percent level since World War II to 1.7 percent. Since compensation per manpower rose at an annual rate of 7 percent during this same 4 years, the average increase in unit labor costs was 5.3 percent. This high increase in labor costs was a prime contributor to the inflationary surge and the consequent need for the restrictive fiscal and monetary policies that have produced the present economic slack and unemployment.

Moreover, the termination of the investment tax credit, together with inflation and depressed profits, have caused a 7-percent increase in obsolete manufacturing equipment and produced an alarming drop in the American balance of trade.

The asset depreciation range—ADR—will improve this situation. The ADR's will allow taxpayers to take as a reasonable allowance for depreciation an amount based on a period of years between 20 percent above and 20 percent below guideline lines established in 1962. The other major change is the termination of the "reserve ratio test" which has proved inequitable and administratively cumbersome.

Contrary to what its opponents say, the relative benefits of the ADR system are greater for small and medium-sized businesses than for big business.

Depreciation allowances are a major source of internal funds and, since these smaller businesses are less able to get internal funds, any increase in internal funds will improve the ability of these firms to invest.

The enactment of the Asset Depreciation Range will have the following beneficial affects:

First. Produce higher living standard for American worker through wage increases that can be absorbed by high productivity growth rates.

Second. Increase modernization of machinery and equipment.

Third. Improve U.S. balance of payments.

Fourth. Stimulate a higher rate of capital formation.

Fifth. Offset the inflationary erosion of the depreciation deduction.

Sixth. Enable firms to develop new technologies to prevent environmental damage.

PROVIDING FOR CONSIDERATION OF H.R. 2166, OLEOMARGARINE AMENDMENT TO FOOD, DRUG, AND COSMETIC ACT

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 388 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 388

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2166) to amend the Federal Food, Drug, and Cosmetic Act, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 71]

Ashbrook	Diggs	McKinney
Ashley	Dorn	Metcalfe
Aspin	Dowdy	Murphy, N.Y.
Baker	Downing	Patman
Baring	Edwards, La.	Pirnie
Begich	Gallagher	Podell
Bergland	Gray	Pryor, Ark.
Biaggi	Green, Pa.	Rhodes
Brown, Ohio	Griffiths	Rooney, N.Y.
Burton	Gross	Runnels
Carter	Gubser	Scheuer
Celler	Halpern	Slack
Chamberlain	Hanley	Stokes
Chisholm	Hanna	Stubblefield
Clark	Hébert	Symington
Clay	Jones, Ala.	Thompson, N.J.
Collins, Ill.	Jones, Tenn.	Vanik
Conyers	Kee	Wolff
Corman	Kemp	Wyatt
Coughlin	Lennon	Young, Tex.
Davis, Ga.	Lloyd	Zwach
Dellums	Long, La.	
Denholm	McCulloch	

The SPEAKER. On this rollcall 364 Members have answered to their names, a quorum.

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

CONFERENCE REPORT ON S. 70, RURAL TELEPHONE BANK

Mr. POAGE submitted the following conference report and statement on the bill (S. 70) to amend the Rural Electrification Act of 1936, as amended, to provide an additional source of financing for the rural telephone program, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 92–165)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 70) to amend the Rural Electrification Act of 1936, as amended, to provide an additional source of financing for the rural telephone program, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the 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:

That it is hereby declared to be the policy of the Congress that the growing capital needs of the rural telephone systems require the establishment of a rural telephone bank which will furnish assured and viable sources of supplementary financing with the objective that said bank will become an entirely privately owned, operated, and financed corporation. The Congress further finds that many rural telephone systems require financing under the terms and conditions provided in title II of the Rural Electrification Act of 1936, as amended. In order to effectuate this policy, the Rural Electrification Act of 1936, as amended (7 U.S.C. 921–924), is amended as hereinafter provided.

SEC. 2. The Rural Electrification Act of 1936, as amended, is amended by adding the following two new titles:

"TITLE III

"SEC. 301. RURAL TELEPHONE ACCOUNT.—There is hereby established in the Treasury of the United States an account, to be known as the rural telephone account, consisting of so much of the net collection proceeds (as defined in section 406(a) of this Act) as may be necessary to provide for investment in the capital stock of the Rural Telephone

Bank in accordance with such section 406(a): *Provided,* That such investment shall be deemed paid in capital of the said bank notwithstanding that funds representing the proceeds from the sale of such stock shall remain in the rural telephone account until required for actual disbursement in cash by the said bank.

"SEC. 302. DEPOSIT OF ACCOUNT MONEYS.—Moneys in the rural telephone account shall remain on deposit in the Treasury of the United States until disbursed.

"TITLE IV

"SEC. 401. ESTABLISHMENT, GENERAL PURPOSES, AND STATUS OF THE TELEPHONE BANK.—(a) There is hereby established a body corporate to be known as the Rural Telephone Bank (hereinafter called the telephone bank).

"(b) The general purposes of the telephone bank shall be to obtain an adequate supply of supplemental funds to the extent feasible from non-Federal sources, to utilize said funds in the making of loans under section 408 of this title, and to conduct its operations to the extent practicable on a self-sustaining basis.

"(c) The telephone bank shall be deemed to be an instrumentality of the United States, and shall, for the purposes of jurisdiction and venue, be deemed a citizen and resident of the District of Columbia. The telephone bank is authorized to make payments to State, territorial, and local governments in lieu of property taxes upon real property and tangible personal property which was subject to State, territorial, and local taxation before acquisition by the telephone bank. Such payment may be in the amounts, at the times, and upon such terms as the telephone bank deems appropriate but the telephone bank shall be guided by the policy of making payments not in excess of the taxes which would have been payable upon such property in the condition in which it was acquired.

"SEC. 402. GENERAL POWERS.—To carry out the specific powers herein authorized, the telephone bank shall have power to (a) adopt, alter, and use a corporate seal; (b) sue and be sued in its corporate name; (c) make contracts, leases, and cooperative agreements, or enter into other transactions as may be necessary in the conduct of its business, and on such terms as it may deem appropriate; (d) acquire, in any lawful manner, hold, maintain, use, and dispose of property: *Provided,* That the telephone bank may only acquire property needed in the conduct of its banking operations or pledged or mortgaged to secure loans made hereunder or in temporary operation or maintenance thereof: *Provided further,* That any such pledged or mortgaged property so acquired shall be disposed of as promptly as is consistent with prudent liquidation practices, but in no event later than five years after such acquisition; (e) accept gifts or donations of services or of property in aid of any of the purposes herein authorized; (f) appoint such officers, attorneys, agents, and employees, vest them with such powers and duties, fix and pay such compensation to them for their services as the telephone bank may determine; (g) determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid; (h) execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers; (i) collect or compromise all obligations assigned to or held by it and all legal or equitable rights accruing to it in connection with the payment of such obligations until such time as such obligations may be referred to the Attorney General for suit or collection; and (j) exercise all such other powers as shall be necessary or incidental to carrying out its functions under this title.

"SEC. 403. SPECIAL PROVISIONS GOVERNING TELEPHONE BANK AS AN AGENCY OF THE UNITED STATES UNTIL CONVERSION OF OWNERSHIP, CONTROL, AND OPERATION.—Until the ownership, control, and operation of the telephone bank is converted as provided in section 410(a) of this title and not thereafter—

"(a) the telephone bank shall be an agency of the United States and shall be subject to the supervision and direction of the Secretary of Agriculture (hereinafter called the Secretary): *Provided, however,* That the telephone bank shall at no time be entitled to transmission of its mail free of postage, nor shall it have the priority of the United States in the payment of debts out of bankrupt, insolvent, and decedents' estates;

"(b) in order to perform its responsibilities under this title, the telephone bank may partially or jointly utilize the facilities and the services of employees of the Rural Electrification Administration or of any other agency of the Department of Agriculture, without cost to the telephone bank;

"(c) the telephone bank shall be subject to the provisions of the Government Corporation Control Act, as amended (31 U.S.C. 841, et seq.), in the same manner and to the same extent as if it were included in the definition of 'wholly owned Government corporation' as set forth in section 101 of said Act (31 U.S.C. 846);

"(d) the telephone bank may without regard to the civil service classification laws appoint and fix the compensation of such officers and employees of the telephone bank as it may deem necessary;

"(e) the telephone bank shall be subject to the provisions of sections 517, 519, and 2679 of title 28, United States Code.

"SEC. 404. GOVERNOR.—Subject to the provisions of section 410, the Administrator of the Rural Electrification Administration shall serve as the chief executive officer of the telephone bank (herein called the Governor of the telephone bank). Except as to matters specifically reserved to the Telephone Bank Board in this title, the Governor of the telephone bank shall exercise and perform all functions, powers, and duties of the telephone bank.

"SEC. 405. BOARD OF DIRECTORS.—(a) The management of the telephone bank, within the limitations prescribed by law, shall be vested in a board of directors (herein called the Telephone Bank Board) consisting of thirteen members.

"(b) The Administrator of the Rural Electrification Administration and the Governor of the Farm Credit Administration shall be members of the Telephone Bank Board. Five other members of the Telephone Bank Board shall be designated by the President to serve at his pleasure, three of whom shall be officers or employees of the Department of Agriculture but not officers or employees of the Rural Electrification Administration, and two of whom shall be from the general public and not officers or employees of the Federal Government. The Administrator and other officers and employees of the Department of Agriculture and the Governor of the Farm Credit Administration shall serve as members without additional compensation.

"(c) As soon as practicable after enactment of this title, the President of the United States shall appoint six additional members of the initial Telephone Bank Board to be selected from the directors, managers, and employees of any entities eligible to borrow from the telephone bank and of organizations controlled by such entities, with due regard to fair representation of the rural telephone systems of the Nation. The six members thus appointed shall serve until their successors shall have been duly elected in accordance with subsection (d).

"(d) Within twelve months following the appointment of the six members of the initial Board as provided in subsection (c), the Governor of the telephone bank shall call a meeting of all entities then eligible to borrow from the telephone bank and organizations controlled by such entities for the purpose of electing members of the Telephone Bank Board. Each such entity and organization shall be entitled to notice of and shall have one noncumulative role at said meeting. Six members of the Telephone Bank Board shall be elected for a two-year term, three from among the directors, managers, and employees of cooperative-type entities eligible to vote and organizations controlled by such entities, and three from among the managers, directors, and employees of commercial-type entities eligible to vote and organizations controlled by such entities. These six members shall be elected by majority vote of the entities and organizations eligible to vote and such entities and organizations may vote by proxy.

"(e) Thereafter, in accordance with the bylaws of the telephone bank, the six members of the Telephone Bank Board shall be elected by holders of class B and class C stock, three from among the directors, managers, and employees of cooperative-type entities and organizations controlled by such entities holding class B or class C stock, and three from among the directors, managers, and employees of commercial-type entities and organizations controlled by such entities holding class B or class C stock. These six members shall be elected by majority vote of the entities and organizations eligible to vote and such entities and organizations may vote by proxy.

"(f) Any Telephone Bank Board member may continue to serve after the expiration of the term for which he is elected until his successor has been elected and has qualified. Telephone Bank Board members designated from the general public, pursuant to subsection (b), or appointed or elected pursuant to subsection (c), (d), and (e), shall receive $100 for each day or part thereof, not to exceed one hundred days per year for the first three years after enactment of this title and not to exceed fifty days per year thereafter, spent in the performance of official duties, and shall be reimbursed for travel and other expenses in such manner and subject to such limitations as the Telephone Bank Board may prescribe.

"(g) The Telephone Bank Board shall prescribe bylaws, not inconsistent with law, regulating the manner in which the telephone bank's business shall be conducted, its directors and officers elected, its stock issued, held, and disposed of, its property transferred, its bylaws amended, and the powers and privileges granted to it by law exercised and enjoyed.

"(h) The Telephone Bank Board shall meet at such times and places as it may fix and determine, but shall hold at least four regularly scheduled meetings a year, and special meetings may be held on call in the manner specified in the bylaws of the telephone bank.

"(i) The Telephone Bank Board shall make an annual report to the Secretary for transmittal to the Congress on the administration of this title IV and any other matters relating to the effectuation of the policies of title IV, including recommendations for legislation.

"SEC. 406. CAPITALIZATION.—(a) The telephone bank's capital shall consist of capital subscribed by the United States, by borrowers from the telephone bank, by corporations and public bodies eligible to become borrowers from the telephone bank, and by organizations controlled by such borrowers, corporations, and public bodies. Beginning with the fiscal year 1971 and for each fiscal year thereafter, the United States shall furnish capital for the purchase of class A stock and there are hereby authorized to be appropriated from net collection proceeds in

the rural telephone account created under title III of this Act such amounts, not to exceed $30,000,000 annually, for such purchases until such class A stock shall equal $300,000,000: *Provided*, That on or before July 1, 1975, the Secretary shall make a report to the President for transmittal to the Congress on the status of capitalization of the telephone bank by the United States with appropriate recommendations. As used in this section and section 301, the term 'net collection proceeds' shall be deemed to mean payments from and after July 1, 1969, of principal and interest on loans heretofore or hereafter made under section 201 of this Act, less an amount representing interest payable to the Secretary of the Treasury on loans to the Administrator for telephone purposes pursuant to section 3(a) of this Act.

"(b) The capital stock of the telephone bank shall consist of three classes, class A, class B, and class C, the rights, powers, privileges, and preferences of the separate classes to be as specified, not inconsistent with law, in the bylaws of the telephone bank. Class B and class C stock shall be voting stock, but no holder of said stock shall be entitled to more than one vote, nor shall class B and class C stockholders, regardless of their number, which are owned or controlled by the same person, group of persons, firm, association, or corporation, be entitled in any event to more than one vote.

"(c) Class A stock shall be issued only to the Administrator of the Rural Electrification Administration on behalf of the United States in exchange for capital furnished to the telephone bank pursuant to subsection (a), and such class A stock shall be redeemed and retired by the telephone bank as soon as practicable after June 30, 1985, but not to the extent that the Telephone Bank Board determines that such retirement will impair the operations of the telephone bank: *Provided*, That the minimum amount of Class A stock that shall be retired each year after said date and after the amount of class A and class B stock issued totals $400,000,000, shall equal the amount of class B stock sold by the telephone bank during such year. Class A stock shall be entitled to a return, payable from income, at the rate of 2 per centum per annum on the amounts of said class A stock actually paid into the telephone bank. Such return shall be cumulative and shall be payable annually into miscellaneous receipts of the Treasury.

"(d) Class B stock shall be held only by recipients of loans under section 408 of this Act. Borrowers receiving loan funds pursuant to section 408(a) (1) or (2) shall be required to invest in class B stock 5 per centum of the amount of loan funds so provided. No dividends shall be payable on class B stock. All holders of class B stock shall be entitled to patronage refunds in class B stock under terms and conditions to be specified in the bylaws of the telephone bank.

"(e) Class C stock shall be available for purchase and shall be held only by borrowers, or by corporations and public bodies eligible to borrow under section 408 of this Act, or by organizations controlled by such borrowers, corporations and public bodies, and shall be entitled to dividends in the manner specified in the bylaws of the telephone bank. Such dividends shall be payable only from income and, until all class A stock is retired, shall not exceed the current average rate payable on its telephone debentures.

"(f) If a firm, association, corporation, or public body is not authorized under the laws of the jurisdiction in which it is organized to acquire stock of the telephone bank, the telephone bank shall, in lieu thereof, permit such organization to pay into a special fund of the telephone bank a sum equivalent to the amount of stock to be purchased. Each reference in this title to capital stock, or to class B, or class C stock, shall include also the special fund equivalents of such stock, and to the extent permitted under the laws of the jurisdiction in which such organization is organized, a holder of special fund equivalents of class B, or class C stock, shall have the same rights and status as a holder of class B or class C stock, respectively. The rights and obligations of the telephone bank in respect of such special fund equivalent shall be identical to its rights and obligations in respect of class B or class C stock, respectively.

"(g) After payment of all operating expenses of the telephone bank, including interest on its telephone debentures, setting aside appropriate funds for reserves for losses, and making payments in lieu of taxes, and returns on class A stock as provided in section 406(c), and on class C stock, the Telephone Bank Board shall annually set aside the remaining earnings of the telephone bank for patronage refunds in accordance with the bylaws of the telephone bank.

"SEC. 407. BORROWING POWER.—The telephone bank is authorized to obtain funds through the public or private sale of its bonds, debentures, notes, and other evidences of indebtedness (herein collectively called telephone debentures). Telephone debentures shall be issued at such times, bear interest at such rates, and contain such other terms and conditions as the Telephone Bank Board shall determine: *Provided, however*, That the amount of the telephone debentures which may be outstanding at any one time pursuant to this section shall not exceed eight times the paid-in capital and retained earnings of the telephone bank. The telephone bank shall insert in all its telephone debentures appropriate language indicating that such telephone debentures, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than the telephone bank. Telephone debentures shall not be exempt, either as to principal or interest, from any taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State or local taxing authority. Telephone debentures shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof.

"SEC. 408. LENDING POWER.—(a) The Governor of the telephone bank is authorized on behalf of the telephone bank to make loans, in conformance with policies approved by the Telephone Bank Board, to corporations and public bodies which have received a loan or loan commitment pursuant to section 201 of this Act, (1) for the same purposes and under the same limitations for which loans may be made under section 201 of this Act, (2) for the purposes of financing, or refinancing, the construction, improvement, expansion, acquisition, and operation of telephone lines, facilities, or systems, in order to improve the efficiency, effectiveness, or financial stability of borrowers financed under sections 201 and 408 of this Act, and (3) for the purchase of class B stock required to be purchased under section 406(d) of this Act but not for the purchase of class C stock, subject, as to the purposes set forth in (2) hereof, to the following provisos: That in the case of any such loan for the acquisition of telephone lines, facilities, or systems, the acquisition shall be approved by the Secretary, the location and character thereof shall be such as to improve the efficiency, effectiveness, or financial stability of the telephone system of the borrower, and in respect of exchange facilities for local services, the size of each acquisition shall not be greater than the borrower's existing system at the time it receives its first loan from the telephone bank, taking into account the number of subscribers served, miles of line, and plant investment.

"(b) Loans under this section shall be on such terms and conditions as the Governor of the telephone bank shall determine, subject, however, to the following restrictions:

"(1) All loans made under this section shall be fully amortized over a period not to exceed fifty years.

"(2) Funds to be loaned under this Act to any borrower shall be loaned under this section in preference to section 201 if the borrower is eligible for such a loan and funds are available therefor. Notwithstanding the foregoing or any other provision of law, all loans made pursuant to this Act for facilities for telephone systems with an average subscriber density of three or fewer per mile shall be made under section 201 of this Act; but this provision shall not preclude the making of such loans from the telephone bank at the election of the borrower.

"(3) Loans under this section shall, to the extent practicable, bear interest at the highest rate which meets the requirements set forth in paragraph (4), consistent with the borrower's ability to pay such interest rate and with achievement of the objectives of this Act; but not less than 4 per centum per annum.

"(4) Loans shall not be made under this section unless the Governor of the telephone bank finds and certifies that in his judgment (i) the security therefor is reasonably adequate and such loan will be repaid within the time agreed, and (ii) the borrower has the capability of producing net income or margins before interest at least equal to 150 per centum of the interest requirements on all of its outstanding and proposed loans, or such higher per centum as may be fixed from time to time by the Telephone Bank Board in order to allocate available funds equitably among borrowers or to improve the marketability of the telephone debentures: *Provided, however*, That the Governor of the telephone bank may waive the requirement of (ii) above in any case if he shall determine (and set forth his reasons therefor in writing) that this requirement would prevent emergency restoration of the borrower's system or otherwise result in severe hardship to the borrower.

"(5) No loan shall be made in any State which now has or may hereafter have a State regulatory body having authority to regulate telephone service and to require certificates of convenience and necessity to the applicant unless such certificate from such agency is first obtained. In a State in which there is no such agency or regulatory body legally authorized to issue such certificates to the applicant, no loan shall be made under this section unless the Governor of the telephone bank shall determine (and set forth his reasons therefor in writing) that no duplication of lines, facilities, or systems, providing reasonably adequate services will result therefrom.

"(6) As used in this section, the term telephone service shall have the meaning prescribed for this term in section 203(a) of this Act, and the term telephone lines, facilities, or systems shall mean lines, facilities, or systems used in the rendition of such telephone service.

"(7) No borrower of funds under section 408 of this Act shall, without approval of the Governor of the telephone bank under rules established by the Telephone Bank Board, sell or dispose of its property, rights, or franchises, acquired under the provisions of this Act, until any loan obtained from the telephone bank, including all interest and charges, shall have been repaid.

"(c) The Governor of the telephone bank is authorized under rules established by the Telephone Bank Board to adjust, on an amortized basis, the schedule of payments of interest or principal of loans made under this section upon his determination that

with such readjustment there is reasonable assurance of repayment: *Provided, however,* That no adjustment shall extend the period of such loans beyond fifty years.

"SEC. 409. TELEPHONE BANK RECEIPTS.—Any receipts from the activities of the telephone bank shall be available for all obligations and expenditures of the telephone bank.

"SEC. 410. CONVERSION OF OWNERSHIP, CONTROL AND OPERATION OF TELEPHONE BANK.—(a) Whenever fifty-one per centum of the maximum amount of class A stock issued to the United States and outstanding at any time after June 30, 1985, has been fully redeemed and retired pursuant to section 406(c) of this title—

"(1) the powers and authority of the Governor of the telephone bank granted to the Administrator of the Rural Electrification Administration by this title IV shall vest in the Telephone Bank Board, and may be exercised and performed through the Governor of the telephone bank, to be selected by the Telephone Bank Board, and through such other employees as the Telephone Bank Board shall designate;

"(2) the five members of the Telephone Bank Board designated by the President pursuant to section 405(b) shall cease to be members, and the number of Board members shall be accordingly reduced to eight unless other provision is thereafter made in the bylaws of the telephone bank;

"(3) the telephone bank shall cease to be an agency of the United States, but shall continue in existence in perpetuity as an instrumentality of the United States and as a banking corporation with all of the powers and limitations conferred or imposed by this title IV except such as shall have lapsed pursuant to the provisions of this title.

"(b) When all class A stock has been fully redeemed and retired, loans made by the telephone bank shall not continue to be subject to the restrictions prescribed in the provisos to section 408(a)(2).

"(c) Congress reserves the right to review the continued operations of the telephone bank after all class A stock has been fully redeemed and retired.

"SEC. 411. LIQUIDATION OR DISSOLUTION OF THE TELEPHONE BANK.—In the case of liquidation or dissolution of the telephone bank, after the payment or retirement, as the case may be, first, of all liabilities; second, of all class A stock at par; third, of all class B stock at par; fourth, of all class C stock at par; then any surpluses and contingency reserves existing on the effective date of liquidation or dissolution of the telephone bank shall be paid to the holders of class A and class B stock issued and outstanding before the effective date of such liquidation or dissolution, pro rata.

"SEC. 412. BORROWER NET WORTH.—Except as provided in subsection (b)(2) of section 408, notwithstanding any other provision of law, a loan shall not be made under section 201 of this Act to any borrower which during the immediately preceding year had a net worth in excess of 20 per centum of its assets unless the Administrator finds that the borrower cannot obtain such a loan from the telephone bank or from other reliable sources at reasonable rates of interest and terms and conditions."

SEC. 3. (a) Subsection (f) of section 3 of the Rural Electrification Act of 1936, as amended, is amended by inserting in lieu of the first word of said subsection "Except as otherwise provided in sections 301 and 406(a) of this Act, all".

(b) Section 201 of the Rural Electrification Act of 1936, as amended, is amended by inserting ", to public bodies now providing telephone service in rural areas", immediately after the word "areas" in the first sentence and also immediately after the word "areas" in the first proviso of the second sentence.

SEC. 4. Section 201 of the Government Corporation Control Act, as amended (31 U.S.C. 856), is amended, effective when the ownership, control, and operation of the telephone bank is converted as provided in section 410(a) of the Rural Electrification Act of 1936, as amended, by striking "and" immediately before "(5)" and by inserting ", and (6) the Rural Telephone Bank" immediately before the period at the end.

SEC. 5. The second sentence of subsection (d) of section 303 of the Government Corporation Control Act, as amended (31 U.S.C. 868), is amended, effective when the ownership, control, and operation of the telephone bank is converted as provided in section 410(a) of the Rural Electrification Act of 1936, as amended, by inserting "the Rural Telephone Bank," immediately following the words "shall not be applicable to".

SEC. 6. The right to repeal, alter, or amend this Act is expressly reserved.

SEC. 7. This Act shall take effect upon enactment.

And the House agree to the same.

W. R. POAGE,
FRANK A. STUBBLEFIELD,
GRAHAM PURCELL,
THOMAS S. FOLEY,
PAGE BELCHER,
WILLIAM C. WAMPLER,
Managers on the Part of the House.

HERMAN E. TALMADGE,
ALLEN J. ELLENDER,
GEORGE MCGOVERN,
JAMES B. ALLEN,
JACK MILLER,
GEORGE D. AIKEN,
ROBERT DOLE,
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. 70) to amend the Rural Electrification Act of 1936, as amended, to provide an additional source of financing for the rural telephone program, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to S. 70 struck out all after the enacting clause and inserted in lieu thereof the text of H.R. 7 as it passed the House.

The differences between S. 70 and the House amendment and their resolution by the conferees follow:

(1) The Senate bill provided for a rural telephone account consisting of as much of the net collection proceeds from outstanding Section 201 loans as the Administrator of the Rural Electrification Administration would determine necessary for the purchase of Class A stock in the bank.

The House bill provided for a rural telephone account consisting of all notes, collections, appropriations, and other funds and assets relating to outstanding Section 201 loans.

In both bills, Congress could appropriate not exceeding $30,000,000 annually to purchase Class A stock to fund the bank. These appropriations would have to come from the rural telephone account.

The conferees agreed to the Senate language with a modification which eliminated the authority of the Administrator of the Rural Electrification Administration to make a specific determination as to the amount of funds to be placed into the rural telephone account. The conferees felt that adequate funds should be made available to the rural telephone account to assure that Congress could appropriate the maximum $30,000,000 annually if it so desired, and provided for deposit in the account of so much of the net collection proceeds as may be necessary for that purpose.

(2) The Senate bill provided that the bank would be a wholly owned government corporation until such time as conversion to private control would occur. Under the Senate bill this conversion would take place after all government investment in Class A stock would be retired.

The House bill designated the bank a mixed-ownership government corporation. Conversion to private control would occur when the amount in stated value of Class B and C stock would equal two-thirds of the total stated value of Class A, B, and C stock.

Both bills required Treasury approval of the issuance and terms of the bank's debentures until conversion.

The conferees provided that the bank would be a wholly owned government corporation (as defined in Section 101 of the Government Corporation Control Act (31 U.S.C. 846)) until 51 percent of the Class A stock has been retired, thereby subjecting it to annual budgetary review by the Office of Management and Budget until conversion. Thereafter, the bank would be a mixed-ownership government corporation, thereby continuing to subject it to annual government audit but not budgetary review.

The conferees also provided that the bank's conversion to private control would occur at such time as 51 percent of the Class A stock is retired.

(3) The Senate bill provided that the rural telephone account would include proceeds from outstanding Section 201 loans beginning after June 30, 1969.

The House bill provided that the rural telephone account could be funded from such proceeds after June 30, 1970.

Since net collection proceeds are now about $30 million per year, the Senate version would make available an amount large enough for a supplemental appropriation to purchase Class A stock this fiscal year (fiscal 1971) and a regular appropriation for this purpose at any time in the new fiscal year starting July 1, 1971. The conferees therefore agreed to the Senate language in order to enable the rural telephone account to be funded as fully as possible, thereby giving the bank every opportunity to be established on a sound financial basis. It is anticipated that net collections from fiscal years 1969 and thereafter will be available for appropriation as provided in the bill without regard to whatever action may have been taken by the Treasury with respect to them, including covering them into the general fund of the Treasury, prior to the enactment of the bill.

(4) The House bill contained language to clarify the fact that public bodies eligible to borrow from the bank would be permitted to purchase Class C stock.

The Senate bill contained no such clarification.

The conferees agreed to the House language.

(5) The Senate bill provided that borrowers able to do so must obtain loans from the bank instead of 2 percent loans from Section 201.

The House bill contained no such provision.

The conferees accepted the Senate language. The conferees felt that Section 201 loans should be made available to those borrowers who are financially unable to afford the cost of bank loans. The conferees also agreed that, in instances where a borrower could afford to pay more than 2 percent interest but less than the bank's minimum rate of 4 percent, a combination of loans from the bank and Section 201 would be

permissible. However, the conferees emphasize strongly that such a combination or blended loan should result in an interest rate of less than 4 percent and should not be made to borrowers who could afford to pay 4 percent or more.

(6) The Senate bill provided that bank loans must bear an interest rate based upon the borrower's ability to pay. Bank loans would be limited to borrowers with the capability of producing net income or margins, before interest, at least equal to 150 percent of the interest requirements on its outstanding and proposed loans. The Governor of the telephone bank could waive the 150 percent requirement in case of emergency restoration of the borrower's system or severe hardship. The Senate bill also provided for a minimum bank interest rate of 4 percent.

The House bill provided the bank with an intermediate interest rate on some loans at a maximum of 4 percent and an interest rate on other loans reflecting the cost of money and other expenses of the bank. The bank's authority to make intermediate loans would terminate on June 30, 1985, or any earlier date in which conversion would occur.

The conferees accepted the Senate language on these points.

(7) The House bill prohibited the use of bank loan funds to finance political activities prohibited under Sections 600, 601, 610, 611, and 612 of Title 18 U.S.C. The House bill required borrowers, prior to receiving a loan, to agree in writing not to engage in any such prohibited activity. Violation of such agreement would require full loan repayment within 30 days after the borrower receives notification from the Telephone Bank Board.

The Senate bill contained no such provision.

The conferees agreed to eliminate the House language in view of the fact that political activities are already covered by sections 600, 601, 610, 611, and 612 of title 18, United States Code, and there is no need for further provision in this bill with respect to them.

(8) The Senate bill provided that no borrower of Section 201 or bank funds could, without the approval of the Administrator of the Rural Electrification Administration, or the Governor of the telephone bank, respectively, sell or dispose of its property, rights, controlling interest, or franchise, or merge or consolidate with any other corporation, until all indebtedness to the Rural Electrification Administration or the telephone bank shall have been repaid. The Senate bill provided that any such approval of such transactions would be conditioned upon the new owner or entity agreeing to pay such rate of interest as would be required if a new loan were made to the borrower.

The House bill provided that any borrower of Section 201 or bank funds could not, without the approval of the Administrator of the Rural Electrification Administration, or the Governor of the telephone bank, as the case may be, dispose of its property, rights, controlling interest, or franchise, until it has repaid all of its indebtedness to the Rural Electrification Administration or the bank.

The conferees took the language in Section 7 of the Rural Electrification Act of 1936, as amended, which deals with the disposition of property, rights, or franchises, and applied it to the telephone bank. Under the agreement, a borrower from the bank must have the approval of the Governor of the telephone bank under rules established by the Telephone Bank Board before selling or disposing of its property, rights, or franchises before the repayment of indebtedness to the bank.

The conferees felt that the language in the existing Act has worked well. The conferees felt that the Governor should approve any such transaction unless it would tend to frustrate the purpose of this Act and the Rural Electrification Act of 1936, as amended.

W. R. POAGE,
FRANK A. STUBBLEFIELD,
GRAHAM PURCELL,
THOMAS S. FOLEY,
PAGE BELCHER,
CHARLES M. TEAGUE,
WILLIAM C. WAMPLER,
Managers on the Part of the House.
HERMAN E. TALMADGE,
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GEORGE MCGOVERN,
JAMES B. ALLEN,
JACK MILLER,
GEORGE D. AIKEN,
ROBERT DOLE,
Managers on the Part of the Senate.

PROVIDING FOR CONSIDERATION OF H.R. 2166, OLEOMARGARINE AMENDMENT TO FOOD, DRUG, AND COSMETIC ACT

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

Mr. Speaker, House Resolution 388 provides an open rule with 1 hour of general debate for consideration of H.R. 2166 to amend the Federal Food, Drug, and Cosmetic Act.

The purpose of H.R. 2166 is to simplify the present requirements concerning notice to patrons in public eating places that colored margarine, or oleomargarine, is being served.

Existing law requires that a conspicuous sign must be displayed or that a statement must be on the menu, and that the establishment must mark each individual serving or cut it into a triangular shape.

This legislation provides that notice may be given in any one of three methods: A conspicuous sign must be displayed, or a statement must be placed on the menu, or each separate serving shall be labeled.

Identical legislation passed the House last year under suspension but was not acted upon by the Senate.

Mr. Speaker, I urge the adoption of the rule in order that the legislation may be considered.

Mr. LATTA. Mr. Speaker, the purpose of the bill is to amend the Federal Food, Drug, and Cosmetic Act relative to the serving in public eating places of colored margarine.

Current law requires such establishments serving margarine to do all of the following:

First, display a sign stating that margarine is being served, or so state on the menu; and

Second, each serving must be similarly marked or the serving must be in the shape of a triangle.

The bill does not eliminate the requirements of notification to customers. It changes them and simplifies them. Under the bill, notice will be given as follows:

First, a sign may be displayed; or

Second, a statement may be placed on the menu; or

Third, each serving must be clearly labeled.

Any one of the three methods may be employed.

The bill is supported by the Department of Health, Education, and Welfare and the Office of Management and Budget. There is no Federal cost involved.

There are no minority views. An open rule with 1 hour of general debate has been requested.

EISENHOWER STAMPS VERSUS F. D. R. STAMPS

(By unanimous consent, Mr. SISK was granted permission to speak out of order.)

Mr. SISK. Mr. Speaker, some men seek causes to support. Others more favored by fortune are sought out by the times and the principle.

I am not sure which was the case in the events I am going to relate. Certainly, though, the serious considerations which impelled the move merit the attention of all of us.

Some of our distinguished Republican colleagues have exchanged their entire office supply of certain 6 cent stamps. They have, I am informed, substituted for Franklin Delano Roosevelt stamps, those bearing the likeness of his illustrious European wartime battlefield commander, General Eisenhower.

While it is tempting to regard this exchange as purely partisan, I suggest those of my party resist this trap. After all, we will recall the earnest efforts of the Vice President to pull us together by cracking the heads of those journalists who express divisive thoughts.

Neither does logic permit us to regard this as a new, diabolically clever, scheme to subsidize the pay-as-you-go Postal Service. Otherwise there would have been no exchange but instead an additional investment.

Possibly it was an ingenious move to test the financial liquidity of the new service—trading in old stamps for new. Sort of a money back guarantee probe to test the willingness of the Post Office to stand behind an older issue.

Mr. Speaker, the motives for this exchange are baffling.

Who knows what the benefits will be and for whom? For humanity? The Postal Service? The Grand Old Party? Polishing the tarnish off the image?

Mr. Speaker, I have been woolgathering and have wasted a minute or two. The way to get to the bottom of the whole thing is to ask those who conceived it to put an end to our puzzlement. It might be, after all, in the interests of good government.

Except for one thing, I would suggest a quid pro quo exchange of Eisenhower stamps held by Democrats for F.D.R. stamps held by Republicans. I understand new Eisenhower stamps will be issued soon but in 8-cent denominations. The possibilities there boggle the mind.

I hope we will soon know the full meaning of this scheme.

Thank you, Mr. Speaker.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 5674, COMMISSION ON MARIHUANA AND DRUG ABUSE AUTHORIZATION

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 389 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 389

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5674) to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide an increase in the appropriations authorization for the Commission on Marihuana and Drug Abuse. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

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

Mr. Speaker, in 1969, the Select Committee on Crime introduced legislation that would have required the President to appoint a committee headed by the Surgeon General to make a final and definitive study of the marihuana problem in the United States. The Congress, instead, created the Marihuana and Drug Abuse Commission to not only concentrate on marihuana, but also to go further into the causes and significance of drug abuse.

The duties of the Commission are divided roughly into two parts. The first segment of the Commission's work will concentrate on the marihuana crisis in this country. It will examine the extent of marihuana use, the efficacy of present laws, the physiological and psychological effects of that substance, its relationship to crime, its relationship to use of other drugs, and the international aspects of marihuana control.

As you can see, the report of this Commission, which is to be filed within 1 year, will be an exhaustive and definitive work. The membership of the Commission insures that the work will be reasoned and well thought out. With the understanding that will be gleaned from this work, it is hoped we may chart an understanding path to the solution of the problem.

There is a second aspect of the Commission's work that is quite important. The Commission will also study the causes of drug abuse and their relative significance. In this 2-year study, the Commission will look at some of the psychological, emotional, environmental and physical causations for people taking drugs. Hopefully, when the Commission's findings are combined with other studies, such as the hearings being conducted this week by the Select Committee on Crime on research into cures and medical treatment for heroin addiction, we will be able to come up with plans for dealing with the spreading problem of drug abuse.

The causes of drug abuse are often overlooked in discussions of the problem, yet they are indeed necessary of understanding before we can deal effectively with legislation in this area. The Commission will concentrate on this area and provide us with this understanding.

On February 5, 1971, the Commission held its first meeting to handle administrative matters and concluded that, in order to operate effectively, it would require an increase in appropriations from its initial $1 million to the $4 million now requested in H.R. 5674. I think that, based upon the vast undertaking of the Crime Committee, this legislation should be adopted.

Mr. Speaker, I urge the adoption of House Resolution 389 in order that H.R. 5674 may be considered.

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

Mr. Speaker, the purpose of the bill is to increase the ceiling on funding for the Commission on Marihuana and Drug Abuse created by the Comprehensive Drug Abuse Prevention Act of 1970.

That act set the funding ceiling for the Commission at $1 million. The bill increases the ceiling to $4 million. The increase is necessary because at the time the act was debated on the floor the scope of the study to be undertaken was substantially broadened and the period of study increased. However, no increase in the funding was provided. The bill will remedy that oversight.

Both the Office of Management and Budget and the Department of Health, Education, and Welfare support increasing the funds available to the Commission. Each, however, recommends that the expenditure ceiling be an indefinite amount.

There are no minority views. An open rule with 1 hour of general debate has been requested.

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

Mr. PEPPER. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

OLEOMARGARINE AMENDMENT TO FOOD, DRUG, AND COSMETIC ACT

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2166) to amend the Federal Food, Drug, and Cosmetic Act, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2166, with Mr. MOORHEAD in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. SPRINGER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I rise in support of H.R. 2166, a bill revising the Federal Food, Drug, and Cosmetic Act with respect to notification which must be provided customers in restaurants when oleomargarine is served.

This bill is identical to H.R. 12061, 91st Congress, which passed the House by voice vote under suspension of the rules on October 5, 1970.

Hearings were held during the last Congress, and all witnesses favored the legislation. Agency reports both in the last Congress and in the present one were all in favor of the legislation.

Existing law requires two separate forms of notification when oleomargarine is served in restaurants. There must be either a notice displayed prominently, or on the menu, that oleomargarine is served. In addition, each separate serving of oleomargine must be labeled or must be triangular in shape. The bill revises these two forms of notification, to provide that only one notice need be given, and it may consist of either a notice prominently displayed, or a notice printed on the menu, or each serving must be separately labeled as oleomargarine. We feel that the present requirement of dual notices makes enforcement unnecessarily complicated and is not needed. We urge the adoption of the bill.

Mr. SPRINGER. Mr. Chairman, near the end of the 91st Congress the Committee on Interstate and Foreign Commerce reported out a bill which would have changed the requirements for notification to the public that an eating establishment was serving oleomargarine. The bill did not receive attention in the Senate and therefore the measure died.

The bill we are bringing before you today is exactly the same measure that was passed by the House last year.

Up to this time the Federal law has required that a restaurant serving oleomargarine notify the public of that fact by using two out of three acceptable methods. The methods of notification are: First, a conspicuous sign on the wall of the establishment; second, a notice on the menu in type at least equal to other items on the menu and third, a distinctive marking on the serving of oleomargarine itself.

The committee has found that conformance with this requirement has been minimal. Enforcement has also been minimal. Perhaps the reason for this lack of enforcement has been a feeling that the requirements have been unreasonable.

This bill would simplify the notification requirement to one of the three methods described above. The public would still be informed of the fact that oleomargarine is being served and in a way which should logically come to the attention of any interested patron.

I recommend this bill to the Members of the House for passage.

Mr. SPRINGER. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, I thank the gentleman for yielding to me and want to express my appreciation to the committee for its expeditious handling of this legislation.

As the chairman indicated, this bill was passed by the House last year, on October 5, but it was too late in the session for action to be completed by the other body.

With this prompt action by the committee this year; however, we are hopeful that enactment can be achieved in the very near future.

The gentleman from Illinois (Mr. KLUCZYNSKI) and I were the original authors of the legislation. We are grateful to the subcommittee, headed by the gentleman from Florida (Mr. ROGERS); the ranking minority member of the subcommittee, the gentleman from Minnesota (Mr. NELSEN); the chairman of the full committee, the gentleman from West Virginia (Mr. STAGGERS); the ranking minority member, the gentleman from Illinois (Mr. SPRINGER); and the other members of the committee for clearing this legislation in such expeditious fashion.

The provisions of H.R. 2166 establish a simplified notification procedure where yellow margarine is served in public eating places.

The existing, complicated law has proven both unworkable and virtually unenforceable, even in some Government establishments.

At present, an individual serving margarine to the public must, first, post a sign on the wall or make a suitable statement on the menu and, second, label each dish on which margarine is served, use appropriately marked paper covers, or serve it in a triangular form.

The double requirement is not necessary. The wall or menu notification alone will let the customer know that margarine is being served. Or, the establishment can serve the margarine pats with a labeled cover.

The Food and Drug Administration—the enforcement agency—says it cannot supervise the present double notification law because of lack of funds. To reduce the requirement to single notification would make enforcement simpler and would encourage uniformity among the various State laws on notification.

The bill involves no relaxation of consumer protection—in fact, it enhances it by making the law easier to enforce. And, restaurant managers would be relieved of a burdensome, unnecessary requirement on small business.

I want to emphasize, Mr. Chairman, that this is not a bill to promote one product over another. But, I think the public should have freedom of choice in determining whether they desire butter or margarine.

In conclusion, supporters of H.R. 2166 feel that one method of giving notification is sufficient and that the present law is unnecessarily burdensome. To my knowledge margarine is the only food product requiring such duplicate notification, and I would urge my colleagues to support this legislation designed to change that law.

Mr. SPRINGER. Mr. Chairman, I commend the distinguished gentleman from Illinois (Mr. MICHEL) for the interest he has shown in this bill all the time it has been before the committee and the Congress and for the excellent work that he has done on the bill.

Mr. MICHEL. I thank the gentleman.

Mr. SPRINGER. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the bill.

Mr. Chairman, this measure, H.R. 2166, is not intended to deprive persons of the right to use oleomargarine—or to serve this substitute for butter in eating establishments.

However, the proposal requires an appropriate notice to purchasers and customers to assure that they are made aware of the product they are purchasing or consuming.

Mr. Chairman, this measure is designed to prevent deception, mislabeling, and any other unlawful substitution of oleomargarine for butter.

The dairy farmers who produce the butterfat from which butter and other products are manufactured, suffered great injury in the past when oleomargarine was substituted for butter. This measure will discourage any such substitution, and will prevent injury to the dairy industry in the future.

Mr. Chairman, in behalf of the dairy farmers whose interests I serve—as well as all other public interests—this measure appears to be highly meritorious, and I am pleased to support it.

Mr. Chairman, I take this occasion to remind my colleagues that the city of Harvard—in my congressional district—is a great dairy center, and is popularly known as the milk capital of the world. Accordingly, I have a special interest in backing this measure.

I compliment the committee for bringing this bill to the floor of the House, and I am pleased to support it.

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

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 407(c) of the Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 347(c)), is amended by deleting the language thereof and substituting the following:

"(c) No person shall serve colored oleomargarine or colored margarine at a public eating place, whether or not any charge is made therefor, unless (1) a notice that oleomargarine or margarine is served is displayed prominently and conspicuously in such place and in such manner as to render it likely to be read and understood by the ordinary individual being served in such eating place, or (2) a notice that oleomargarine or margarine is served is printed or is otherwise set forth on the menu in type or lettering not smaller than that normally used to designate the serving of other food items, or (3) each separate serving bears or is accompanied by labeling identifying it as oleomargarine or margarine."

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

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

There was no objection.

The CHAIRMAN. Are there any amendments to be proposed? If not, under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MOORHEAD, 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. 2166) to amend the Federal Food, Drug, and Cosmetic Act, and for other purposes, pursuant to House Resolution 388, he reported the bill back to the House.

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

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

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

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

The bill was passed.

A motion to reconsider was laid on the table.

COMMISSION ON MARIHUANA AND DRUG ABUSE AUTHORIZATION

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5674) to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide an increase in the appropriations authorization for the Commission on Marihuana and Drug Abuse.

The SPEAKER. The question is on the motion of the gentleman from West Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5674, with Mr. MOORHEAD in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes and the gentleman from Illinois (Mr. SPRINGER) will be recognized for 30 minutes.

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

Mr. STAGGERS. Mr. Chairman, I yield myself such time as I may require.

Again, Mr. Chairman, I agree with the gentleman from Ohio (Mr. LATTA) when I say that this bill should have been placed on the Consent Calendar, except for the fact that it does carry the additional sum of $3 million, the principal reason being to extend the life of this Commission.

Mr. Chairman, I rise in support of H.R. 5674, a bill reported unanimously by the Committee on Interstate and Foreign Commerce. This is a bill amending the Comprehensive Drug Abuse Prevention and Control Act of 1970 to authorize expenditures by the Commission on Marihuana and Drug Abuse up to a ceiling of $4 million, in lieu of $1 million ceiling provided in existing law.

Last year the Congress enacted Public Law 91–513, the Comprehensive Drug Abuse Prevention and Control Act of 1970. During our consideration of that legislation, an amendment was adopted to establish a Commission on Marihuana, which was to study the subject of marihuana and within 1 year make a report and recommendations to the President and the Congress. In that amendment, the total expenditures of the Commission were set at a level not to exceed $1 million.

Later, during the consideration of the bill, a further amendment was agreed to, broadening the duties of the Commission very substantially to provide that the Commission should study the overall subject of drug abuse, and its causes. This study, which was to be conducted concurrently with the original study on marihuana, was to be a 2-year study. No change was made in the expenditure limitation of $1 million at that time, and the bill became law with a $1 million expenditure ceiling.

It is obvious that the current ceiling on expenditures by the Commission is unrealistic, and the purpose of this legislation is to provide a more realistic expenditure limitation for the Commission.

At the hearings, the legislation was supported by the Executive Director of the Commission, and the Office of Management and Budget expressed support for an increase in the expenditure limitation. The OMB suggested an indefinite and unlimited authorization, but we do not authorize appropriations in that form. We believe that the $4 million provided in the bill will be sufficient to enable the Commission to make a thorough study and appropriate recommendations to us, and urge the adoption of the bill.

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

Mr. STAGGERS. I yield to the distinguished gentleman from Florida (Mr. ROGERS), the chairman of the subcommittee.

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

Mr. Chairman, I rise in support of H.R. 5674, a bill to increase the appropriation authorization for the Presidential Commission on Marihuana and Drug Abuse. This Commission was established by the Comprehensive Drug Abuse Prevention and Control Act of 1970 to make a 1-year study of the extent and the effects of marihuana use, and efforts to control it. A maximum expenditure of $1 million was authorized to accomplish this task.

The section of the bill which established the Commission was later amended to expand the duties of this body. The final version of Public Law 91–513 provided for a 2-year study of the causes of drug abuse and their relative significance followed by a report and recommendations to the President. The provisions of H.R. 5674 would increase the authorized expenditures of the Commission from $1 million to $4 million. This increase is necessary if the Commission is to fulfill its expanded responsibilities under Public Law 91–513.

Mr. Chairman, the problem of drug abuse is one of the most serious problems facing our Nation today. It threatens to erode the very foundation of the Nation's strength, its youth. In the past, we have failed to place sufficient emphasis on this problem to the extent that we are now faced with a crisis of epidemic proportions. If this Congress is truly concerned with the future welfare of our Nation's young people, as I am sure it is, then I ask that this concern manifest itself as support for H.R. 5674.

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

Mr. STAGGERS. I would be happy to yield to the gentleman from Missouri.

Mr. HALL. Mr. Chairman, I appreciate the distinguished chairman of the Committee on Interstate and Foreign Commerce yielding. I am one of those who is glad that this bill did not come up on the Consent Calendar, or under suspension of the rules, as indeed it is a poor time to come in and set the funds available at the $4 million area, rather than the $1 million area as originally authorized. And, albeit that the distinguished gentleman from West Virginia (Mr. STAGGERS) has explained that the duties of the Commission have been added to, I wonder, first of all, what the Commission has accomplished thus far. I wonder whether any report has been issued, whether the Commission has been organized, and whether it has completed any hearings, or even interim reports or otherwise, that may have been submitted as a contribution.

Mr. STAGGERS. Just to answer the distinguished gentleman from Missouri (Mr. HALL), the Commission has just gotten organized and has not yet held a hearing. They are ready to go, and they should be back here within the period of time that we have set with a report, but as yet they have not issued a report.

Mr. HALL. Has any part of the $1 million that we originally authorized in the original legislation been expended, or even obligated?

Mr. STAGGERS. Only for the day-to-day expenses of getting organized, and whatever might be necessary in the way of office help, and so forth.

Mr. HALL. Mr. Chairman, I appreciate the gentleman's forthright answer, and if the distinguished gentleman would yield further, I wonder if the gentleman can give to this body any information about how much of the original funding is being obligated, or otherwise used by the other body of the Congress?

Mr. STAGGERS. On that I might say to the distinguished gentleman that there are two Members of the House of Representatives, and two Members of the Senate on this Commission who are about to make this study, and there has been no expenditure that I know of on the other side, and actually there could not be because this is a commission funded by the executive branch.

Mr. HALL. Mr. Chairman, I certainly would hope that the Members on the part of the House will be diligent in observing and, indeed, limiting obligations on the part of the other body. It is my information that a "windfall" has been "come by" out of the existing authorized funding by one or more Members of that body. And that brings me down to my final question, Mr. Chairman, and that is whether or not there is not duplication or, indeed, overlapping, if not more than duplication on the part of other commissions making the same type of study, to say nothing of existing bureaus within the Government that are making this type of study? And I have in mind, of course, specifically our own Committee on Armed Services investigation of alleged drug abuses in the armed services, as an example.

Mr. STAGGERS. In reply to the inquiry of the gentleman from Missouri, I would say that it could well be that there is some overlapping, but this is the only Presidential commission that has been appointed, really, to specifically handle the question of the causes of drug abuse. We have two of the most distinguished gentleman of the House who have been appointed as members of this commission, the distinguished gentleman from Kentucky (Dr. CARTER) and the distinguished gentleman from Florida (Mr. ROGERS) the chairman of our Subcommittee on Public Health and Environment.

I have absolute confidence in those two Members.

Mr. HALL. I, too, have complete confidence in our two Members, and I join with the distinguished chairman in that statement; but, I am still at a loss to know why this funding was increased by the committee, particularly inasmuch as the departmental report from downtown in no way indicated that there was a need to, not only double, but quadruple the amount of the funds authorized from a $1 million to $4 million spending limitation. How was this arrived at, and what was the basis for quadrupling the amount of authorized funds even before a report is submitted, or the committee is organized, or any great funding has been used out of the original authorization?

Mr. STAGGERS. I might say this to the distinguished gentleman from Missouri, the Commission's executive director appeared before the committee and urged the additional funds. The Director of the OMB proposed that we leave the authorization open ended—whatever money they needed. The committee discussed this and came to the conclusion that $4 million was a reasonable figure.

Mr. HALL. I think the gentleman is

exactly right. This committee is to be complimented on not permitting any such open-ended requests.

I read in detail in the committee chairman's own report about the recommendation of the Department that it be for "such sums as may be necessary," which is a famous cliche for backdoor raids on the Treasury—of open-ended funds. But I still cannot quite understand why we should go from $1 million to $4 million for the first year of a committee that is just getting underway. What was the basis for the judgment of the distinguished gentleman's committee?

Mr. STAGGERS. This is not for 1 year but is for 2 years. The fact is, as I tried to explain, when the first amendment was adopted last year to provide for a study on marihuana only, we thought $1 million was sufficient. But, afterward, there was an amendment adopted to provide for a study of drug abuse. This broadened the study to cover a 2-year period. As is obvious, the Commission would have to hire a lot more people if there was to be a complete study of the whole drug abuse problem, together with recommendations.

Mr. HALL. I thank the gentleman for his response.

I think excellent studies have been made in the Crime Subcommittee of another committee of this House, as well as the aforementioned one on military service, and in addition to all of that this is work that should be done by the very department themselves. This is automatic. I resent appointing a commission and telling them in advance that they should hire expensive consultants to do their work, findings, and reports. There is a great plethora of material on this subject available just for the reading at this time, therefore, I question this extra use of the taxpayers' money.

Mr. Chairman, I appreciate the gentleman yielding to me.

Mr. STAGGERS. I appreciate the remarks of the gentleman from Missouri and in response I would just like to say that these other studies were all taken into consideration. This is a Presidential commission which can review all of these studies that have been made and come back and report to both Houses.

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

Mr. STAGGERS. I yield to the gentleman.

Mr. MIKVA. Mr. Chairman, $4 million is a great deal of money. Moreover, the question of whether marihuana is or is not a dangerous, harmful substance is an important question. If it is harmful, then effective steps should be taken to curb its availability and use. If it is not demonstrably harmful, then the Government has no proper constitutional basis for punishing people who use it.

The report of the National Commission on Drug Abuse is likely to be given great weight in future considerations of whether it should be a felony, a misdemeanor, or no crime at all to use marihuana. It is, therefore, extremely important that the Commission exercise the utmost care and effort to insure that its work is thorough and objective. The membership of the Commission includes such distinguished men as ex-Governor Shafer of Pennsylvania and Senator HUGHES of Iowa. I am sure that they will make every effort to see that the study and the report are balanced and scientific. However, as one who has been privileged to sit on similar commissions in the past, I know how difficult it is for men who have so many other duties and responsibilities to spend the time they would like to poring over evidence and testimony and detailed studies. Ordinarily, and necessarily, the job of sifting through the original evidence is delegated to a full-time staff. Consequently, the internal recommendations and reports of the staff to the Commissioners are extmerely important. Because each of us has our own unconscious biases and limitations, there is a subtle but important coloring of the primary source material as a result of the staff input. That is why it is just as important that the staff of a study Commission be balanced and representative of all viewpoints as it is that the Commissioners be.

It is on this score that some concerns have been expressed, and I would hope that they can be aired and dealt with before the work of the Commission gets too far underway.

According to an article in the Washington Post on April 27, the Commission's staff director, Michael Sonnenreich, has been heard to say that his mind is already made up as to the dangerousness of marihuana, and that he could write the report now. If that is so, perhaps we should think twice about wasting $4 million in the interim. I ask unanimous consent, Mr. Speaker, that a copy of the Post article be included at the conclusion of my remarks for the benefit of my colleagues. The article also states that Mr. Stonnenreich refused the request of one group, the National Organization for the Reform of Marihuana Laws, that Ramsey Clark be permitted to testify before the Commission on their behalf. Apparently Governor Shafer has subsequently overruled Mr. Sonnenreich and has extended an invitation to Ramsey Clark.

This incident gave me cause for concern that the staff of the Commission might not be as receptive to all viewpoints as it should be, and my subsequent inquiries have not provided much reassurance. The staff director, Michael Sonnenreich, has been Deputy Chief Counsel of the Bureau of Narcotics and Dangerous Drugs since 1968. He is admirably frank in expressing his opinion that marihuana is indeed a harmful drug and that possession and use of marihuana should be outlawed. However, it is questionable whether such strong prejudgment is consistent with the receptivity and objectivity required for a $4 million scientific study on the effects of marihuana use.

In addition to possible bias at the staff level, I am also concerned about the possible lack of technical, scientific expertise of the staff. As far as I have been able to determine, only one staff member, Dr. Louis Bozzetti, is a member of the scientific community. Much of the data which the Commission will be called upon to study and evaluate consists of previous scientific studies regarding the physiological and psychological effects of marihuana use. A number of such studies have been conducted, and substantially differing conclusions have been reached. It is important that sufficient expertise exist within the Commission staff to analyze the methodology and conclusions of these earlier studies objectively.

In short, Mr. Chairman, I am concerned that before we blithely authorize an additional $3 million of the taxpayers' money, we satisfy ourselves and our constituents that the money will be used to gather and weigh pertinent data from all sides of the marihuana debate, and not merely to purchase studies which will substantiate the preconceived notions of Mr. Sonnenreich or anyone else.

The article follows:

MARIHUANA STORY

The National Commission on Drug Abuse is about to swing into action with public hearings, but the man running the show is acting like he's already hooked on his own preconceived ideas.

The commission is supposed to produce an authoritative report based on a staff investigation, plus expert testimony from all sides. But the commission staff director, Michael Sonnenreich, has told at least two people that he could "write the report right now."

Although he denies saying he could write the report now and insists his mind is open, there is disturbing evidence he already has his mind made up and is simply going through the motions.

When Sonnenreich was asked by the National Organization for the Reform of Marihuana Laws, a small but responsible group, for permission to testify at the hearings in Washington next month, he summarily refused.

He told Keith Stroup, the organization's head, that the commission was interested in facts, not emotional appeals. Beside, he said, the hearing schedules were already complete, and there was no time available.

Stroup told him that former Attorney General Ramsey Clark had indicated a willingness to testify on behalf of the reform group. Would the commission be willing to hear Clark?

No, said Sonnenreich. Stroup argued that Clark had been in charge of the Justice Department when the Bureau of Narcotics and Dangerous Drugs was established. Wouldn't he have a contribution to make?

"I don't think Ramsey Clark has anything to add," Sonnenreich replied, according to Stroup.

Reached by us at his office, Sonnenreich insisted that the position held by Stroup and his group would be adequately covered by other witnesses.

He stressed also that the schedule was full. He acknowledged that he told Stroup that neither a regular representative of his group nor Ramsey Clark, appearing on the group's behalf, could testify at the Washington hearings.

By the next day however, our inquiries had apparently given the commission the jitters. Commission Chairman Ray Schafer, the former Pennsylvania governor, called Clark and told him: "We would like to hear from you at any time."

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

Mr. Chairman, when the Committee on Interstate and Foreign Commerce first considered drug abuse legislation the emphasis was upon barbiturates, amphetamines, and hallucinogens. These drugs which included those referred to as goof

balls, speed, and LSD were the newest of the major drug menaces to appear. Hard narcotics had always been with us and were handled under an old and venerable law known as the Harrison Act which was administered by the Treasury Department. Marihuana, which came into some prominence but nothing like its present popularity, had been included with and administered with the law on hard narcotics.

Since that time the whole nature of the drug problem has developed along new lines. Also the legislative situation and the enforcement machinery has been drastically overhauled. It is universally recognized now that although not all drugs should be handled exactly the same for the protection of the public, that all of them together constitute the problem to be solved and that consequently they should be administered under one law and by one Government entity.

Marihuana has become the most popular and available drug lately. It somehow appeals to youth. It is also the drug about which we scientifically know the least. It needs prompt and thorough investigation in all its aspects—legal, medical, and social.

The 91st Congress struggled long and hard to put together a comprehensive drug abuse law, and I feel that it succeeded admirably. The legislation was the result of long hearings and longer executive sessions plus careful attention by the House at the time of passage.

During the course of consideration by the committee it was proposed that a study should be done on various aspects of marihuana use, and the amendment originally proposed along this line carried a price tag of $1 million for a 1-year study. As the matter was discussed in the markup sessions the scope of the study was expanded and the time provided for the study to be made was revised to 2 years. At this stage the committee had no hard information on the costs of such a study, and the $1 million figure as originally proposed was left untouched. This version of the study commission remained in the bill in basically the form agreed upon by the committee throughout the consideration by the House and in the conference between the two Houses.

Since the passage of the drug abuse legislation the Commission, consisting of two Senators, JAVITS and HUGHES; two Congressmen, TIM LEE CARTER and PAUL G. ROGERS; and nine Presidential appointees, has been formed. A preliminary look at the responsibilities of the Commission and the available methods to obtain the necessary information and make an adequate and meaningful report has been taken. From this it became immediately clear that the sum of $1 million for this task was entirely inadequate. The expenditure of the original figure would be wasteful because the job could not be done.

In addition, contact was made with the Canadian Government which has a study group much the same, and there it was found that at least $1.5 million was necessary to do the job. On the basis of this figure for the Canadian Government and the number of people involved, it would clearly cost considerably more to do the same thing for the American public. The Government departments concerned, including the Office of Management and Budget, agree with this finding.

It is the conclusion of our committee, therefore, that the sum of $4 million should make it possible to carry out the mandate of Congress in this regard, and it is for this reason that the committee brings to you this legislation for the one and only purpose of revising the authorization for the study of marihuana and drug abuse.

The Committee on Interstate and Foreign Commerce has unanimously endorsed this legislation, and I recommend its passage.

Mr. CARTER. Mr. Chairman, the bill before us is one I introduced to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970, to increase the appropriation authorization for the National Commission on Marihuana and Drug Abuse, which was established under that act, from $1 to $4 million.

The Commission was formally organized in January of this year and commenced work at the end of March. It will undertake a 1-year intensive study into all aspects of marihuana use in the United States and will submit a report of its findings to the President and the Congress no later than March of 1972. Simultaneously, the Commission will also undertake a 2-year study of the causes of drug abuse and their relative significance and will submit a report, including specific legislative recommendation, to the President and the Congress, no later than March of 1973. Presently, as the act is written, total expenditures for these two studies are not to exceed $1 million.

In the formative meetings of the Commission, at which time the areas of study and issues to be confronted were defined, it became apparent that the present authorization would be inadequate to allow the Commission to fulfill its statutory responsibilities—responsibilities which we the Congress have imposed upon it. The $1 million authorization will severely restrict the Commission's scope of investigation due to limited staffing capabilities, an inability to engage the services of experts in the field, and the inability to conduct national studies and surveys.

One reason for the Commission's present financial predicament can be traced to the history of the comprehensive act. During the consideration of this legislation by the Interstate and Foreign Commerce Committee, the bill was amended to increase substantially the duties of the Commission to provide that it should, in addition to the marihuana study, conduct a comprehensive study and investigation into the causes of drug abuse and their relative significance. At that time, no change was made in the total expenditures authorizations limited to the amounts originally determined to be sufficient to conduct a marihuana study. Thus, the Commission is now required to undertake two broad studies on a budget authorization that was originally intended to cover only the cost of a single study.

Mr. Chairman, the Commission might be able to function on a $1 million authorization. However, it would have to operate from a very narrow base and would not be able to delve into areas of the drug abuse and marihuana problems which are in sore need of exploration. With increased funding, the Commission can expand the scope of study, thus giving greater strength and objectivity to its findings and recommendations. This is the first time a commission of this kind has been established on a national basis, and I feel it is our responsibility to insure that adequate funds will be available to enable it to seek out the answers to the questions which have been plaguing all Americans for so long.

Mr. SPRINGER. Mr. Chairman, I yield such time as he may consume to the ranking minority member of the Subcommittee on Health, the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Chairman, my remarks will be very brief. I merely wish to emphasize the fact that our committee really worked on and passed the drug abuse bill, which I think is one of the most important pieces of legislation that was passed in this Congress.

In addition, it must be said that one of the most serious, very serious problems facing our country today is drug abuse. I do not know how we could determine accurately to a penny, a dollar, $1,000 or even $1 million, an estimate of what is needed. I hope as we proceed we will be very careful in what is done. I think we were rather inclined to be generous in this field, knowing the magnitude of the problem.

I believe that much can be done; much needs to be done. Therefore, our subcommittee and our full committee gave unanimous support to this piece of legislation. I urge passage of the bill.

Mr. KEMP. Mr. Chairman, some of our young people talk about experimentation with drugs and even the desirability of legalizing narcotics. To counter this, I like the approach of Christopher T. Bayley, prosecuting attorney, King County Courthouse, Seattle, who enlists the cooperation of selected junior and senior high school students to create peer group counterpressure to the attractions of drug use.

He points out:

> Just as in society at large, there is within the youth population a vast "middle class" which when mobilized can be much more effective in discouraging drug abuse than all the busts and prosecutions which we could possibly undertake.

Furthermore, Mr. Bayley really defines the issue when he says:

> What we are really talking about is the availability of materials which we know are doing great medical and social harm as well as placing intolerable burdens on our law enforcement resources.

Mr. Chairman, I support this legislation before us today which will increase the availability of materials on the dangers of drug abuse which can be used by the student counterpressure groups. More and more data is being made available and the most shocking is the report con-

tained in the April 8, 1971, issue of the New England Journal of Medicine. Dr. Gabriel G. Nahas of the Columbia University College of Physicians and Surgeons reports on the death of a 23-year-old man in Bordeaux, France, from marihuana smoking. The article states:

> The lack of similar reports in the United States may be due to the lower potencies of cannabis preparations used in their country.

But just think of the potential consequences of this deadly experimentation.

Mr. Chairman, much of the controversy surrounding drugs begins with marihuana. For centuries, marihuana was widely used in India; chronic addiction was common; damaged health was reported for 42 percent of the users. India outlawed marihuana in 1959.

In Egypt, habitual use of marihuana reached an estimated 30 percent of the population and the Egyptian Government reported that "it is a thoroughly vicious and dangerous thing of no value."

In country after country, after years of bitter experience, marihuana has been outlawed. Here in the United States, there are those today who are calling for legalization.

Dr. Edward Bloomquist, a nationally recognized authority on marihuana and what it does to the body and brain, states that there is every reason to believe that marihuana has the potential to produce an equal, if not greater number of socially disturbed people than the Nation's 6 million victims of alcoholism.

Narcotics officers, who deal with marihuana users every day, tells us that out of every six kids who use "pot," at least one will go on to heroin.

Many today talk about a "generation gap" when maybe what we are really dealing with is a "credibility gap." When young people hear scare stories about marihuana on one hand and pleas for legalization on the other, we cannot blame them for their cynicism.

Too many young people know someone who has tried marihuana—if they have not tried it themselves—and they are prone to take these few experiments as evidence that nothing too awful will happen. Even more important, they can quote a certain body of professionals who claim there is no established proof yet of the bad effects. Some even say that it is no more harmful than alcohol or tobacco.

It might be noted that less than 100 years ago, the same thing was said about opium. One prominent person wrote in the London Times:

> Pro-opiumists maintain that opium smoking is no worse than gin or whiskey drinking.

While another pictured the habit "as harmless as twiddling your thumbs."

We know better now.

What is at stake here is the future of a generation. Extensive research will go a long ways toward filling the information vacuum which now exists concerning the physiological and psychological effects of marihuana.

For that reason, Mr. Speaker, I hope the Congress will give overwhelming support to this bill, H.R. 5674, and in the future take action to limit the availability of these deadly drugs.

An outstanding article concerning the effects of marihuana on adolescents and young adults appeared in the April 19, 1971, issue of the Journal of the American Medical Association. I commend it to my colleagues and I insert it at this point in the RECORD:

EFFECTS OF MARIHUANA ON ADOLESCENTS AND YOUNG ADULTS

(By Harold Kolansky, M.D and William T. Moore, M.D.)

The large amount of marihuana smoking (12 million to 20 million people) in this country was reviewed, as well as some of the literature concerning adverse effects. Thirty-eight individuals from age 13 to 24 years, all of whom smoked marihuana two or more times weekly, were seen by us between 1965 and 1970, and all showed adverse psychological effects. Some also showed neurologic signs and symptoms. Of the 20 males and 18 female individuals seen, there were eight with psychoses; four of these attempted suicide. Included in these cases are 13 unmarried female patients who become sexually promiscuous while using marihuana; seven of these became pregnant.

The smoking of cannabis derivatives in the United States has now reached alarming proportions. Between 12 million (estimated by J. L. Goddard, MD, US Food and Drug Administration, in *Life*, Oct 31, 1969, p 34) and 20 million (estimated in *Drug Abuse: The Chemical Cop-Out*, National Association of Blue Shield Plans, 1969) adolescents and young adults are using, or have tried smoking, cannabis derivatives. In February 1970, a *Newsweek* survey (Feb 16, 1970, p 65) showed that 30% to 50% of all high-school students in this country had made marihuana an accepted part of life. Results of surveys of college students smoking marihuana are similarly high. In our own observations at local high schools and at several college campuses along the eastern seaboard, we have noted the openness of marihuana smoking, which may indicate a trend toward more universal use of the drug. All of this is in marked contrast to the situation as recently as four years ago when the COMMITTEE ON ALCOHOLISM AND DRUG DEPENDENCE of the American Medical Association reported that most experimenters give up the drug quickly or continue to use it on a casual basis.[1]

Literature in the United States describing the adverse effects of smoking marihuana is rather sparse. Among the more important communications was a report by Bromberg[2] in 1934, describing studies made while individuals smoked. Talbott and Teague[3] recently described 12 patients with acute toxic psychosis associated with cannabis smoking. Of special significance in their communication was the development of psychosis in each of the 12 upon the first smoking of marihuana. Ten of 12 were delusional, and all showed paranoid symptoms. Physicial symptoms, including evidence of neurologic dysfunction, were seen in some. Ten showed no history of premorbid personality disorder. The American Medical Association's COUNCIL ON MENTAL HEALTH, along with the National Research Council of the National Academy of Sciences,[4] and an editorial in THE JOURNAL in 1968[5] warned that cannabis is a dangerous drug and a public health concern. Also, there have been articles by Ames[6] and Allentuck[7] describing ill effects.

In the literature of clinical experiments, Isbell[8] and his associates showed that the isolated chemically-active ingredient of the cannabis group, (−) Δ^9-*trans*-tetrahydrocannabinol, caused psychotic reactions in humans tested at the Addiction Research Center in Lexington, Ky. Hartmann[9] and Wieder and Kaplan[10] described some psychological effects in 1969.

In the pharmacological literature, a detailed report and review by Gershon[11] in 1970 showed the many effects of marihuana on animals. He stressed that, in most animals extracts of marihuana induced stimulation and excitement followed by general depression. Gershon also called our attention to the marked diminution of oxygen uptake by the brain while the animals were intoxicated with marihuana.

We (both authors) are in separate, individual, private practices of child and adult psychiatry and psychoanalysis, and both of us have extensive consultative opportunities. In the period from 1965 to 1970, we began to note a sizeable increase in referrals of individuals who, upon investigation by history, showed an onset of psychiatric problems shortly after the beginning of marihuana smoking; these individuals had either no premorbid psychiatric history or bad premorbid psychiatric history or bad premorbid psychiatric symptoms which were extremely mild or almost unnoticeable in contrast to the serious symptomatology which followed the known onset of marihuana smoking. In our study, all in this group who smoked marihuana more than a few times showed serious psychological effects, sometimes complicated by neurologic signs and symptoms. In 38 of our patients, our findings demonstrate effects ranging from mild to severe ego decompensations (the latter represent psychoses). Simultaneously, we have examined and treated many other marihuana smokers who either had severe psychological problems prior to smoking marihuana or who also used lysergic acid diethylamide (LSD), the amphetamines, or other drugs; these patients had more complex findings and were not included in this study of 38 patients because we could not be certain that symptoms seen were related to marihuana alone. We have studied some neurotic individuals whose symptoms became more severe after smoking marihuana, but since their earlier symptomatology would becloud such a study as this, we did not include them. Still others who had a marked predisposition to psychosis and who became psychotic after beginning to smoke marihuana were not included in this series, since our purpose was to report only the effects seen as a consequence of marihuana smoking in those not showing a predisposition to serious psychiatric problems. We are currently studying the group with a known predisposition to determine whether marihuana acted as a catalyst to produce psychosis. The 38 patients described in this communication range in age from 13 to 24 years, and the group consists of 20 male and 18 female individuals. We have seen many patients older than 24 who have been smoking marihuana and who have similar symptoms to those we describe, but we have confined our present communication to those aged 24 and younger.

METHODS

Prior to 1965, we only occasionally saw patients who smoked marihuana. The 38 patients described are part of a consultation practice that included several hundred new referrals seen during the five-year period from 1965 to 1970, most of whom did not smoke marihuana.

To establish a diagnosis for the usual adult referred for consultation, we see the patient once or twice to determine his history and to examine his psychiatric status; following this, treatment recommendations are made. When children and adolescents are referred we see the parents two to five times to obtain a history; following this we examine the youngsters in one or two office visits. About one of four of our patients is also psychologically tested. Psychological testing is performed by clinical psychologists with long experience on those of our patients for

Footnotes at end of article.

whom our diagnostic impressions are that we are dealing with a psychosis, an ego disturbance, an organic central nervous system disorder, or a severe learning disability. We followed the same diagnostic procedures with those of our patients known to be smoking marihuana.

Formal neurologic examinations were not done, but there were gross indications of neurologic impairment in a few patients who smoked marihuana four or five times weekly for many months. This impairment consisted of slurred speech, staggering gait, hand tremors, thought disorders, and disturbance in depth perception (such as overshooting exits on turnpikes, misjudging traffic lights and stop signs at intersections, diminished ability to time catching a baseball, or undershooting a basketball net).

A diagnosis was established and treatment recommendations were made for each of our 38 patients. In some, psychotherapy or psychoanalysis was indicated, and in that group, further psychological understanding of the underlying causes of marihuana smoking was obtained. In others, the gamut of psychiatric treatment was instituted, which sometimes, of necessity, included hospitalization.

In each instance, only one of us diagnosed the condition and prescribed the treatment. In a few instances, diagnosis was made by one author and treatment was instituted by the other. In these few cases, there was agreement on diagnosis.

GENERAL PSYCHIATRIC CONSIDERATIONS

Most of the 38 patients in this study smoked marihuana two or more times weekly and, in general, smoked two or more marihuana cigarettes each time. These patients consistently showed very poor social judgment, poor attention span, poor concentration, confusion, anxiety, depression, apathy, passivity, indifference, and often, slowed and slurred speech. An alteration of consciousness which included a split between an observing and an experiencing portion of the ego, an inability to bring thoughts together, a paranoid suspiciousness of others, and a regression to a more infantile state were all very common. Sexual promiscuity was frequent, and the incidence of unwanted pregnancies among female patients was high, as was the incidence of venereal diseases. This grouping of symptoms was absent prior to the onset of marihuana use, except in 11 patients who were conscious of mild anxiety or occasional depression.

There was marked interference with personal cleanliness, grooming, dressing, and study habits or work or both. These latter characteristics were at times present in some patients prior to smoking marihuana, but were always markedly accentuated following the onset of smoking. In one subgroup, a clear-cut diagnosis of psychosis was established, and in these patients, there was neither evidence of psychosis or ego disturbance nor family history of psychosis prior to the patients' use of marihuana. Several in this group were suicidal. In some individuals, instead of apathy, hyperactivity, aggressiveness, and a type of agitation were common. In no instance were these symptoms in evidence prior to the use of marihuana.

A. Psychosis with suicidal attempts

Four individuals, two male and two female between the ages of 14 and 17, showed psychotic reactions directly attributable to cannabis derivatives, and each attempted suicide. In the usual type of adolescent psychosis, there is an antecedent history of very poor ego organization. In no instance was there a history of such earlier ego disorganization in our eight psychotic patients, nor prior to smoking marihuana was there psychosis, ego disturbance, family history of psychosis, fragile ego, or suicidal attempts.

CASE 1.—A 17-year-old girl smoked marihuana daily for one year prior to consultation and for an additional year while she was in psychiatric treatment. By history from her parents and by observation during the year following entry into treatment, she showed a gradual regression in organizing thought. She continuously repeated phrases and had the delusion that she was a great actress, but saw life as through a veil. Speech and thinking slowed down, and she believed that she was living life in slow motion. Memory and perception became markedly impaired, thinking became tangential, and judgment became poor. This led to marked social and familial difficulties. Suicide was attempted while she was smoking marihuana, and despite the seriousness of the attempt, the patient was euphoric during and following the effort, with slurred speech, pleasant mood, absent judgment, and missing reality testing.

CASE 2.—A 17-year-old boy was seduced homosexually after an older man gradually introduced him to marihuana smoking over a period of one year. His history showed no evident previous psychopathological condition, and his adolescent development appeared to be normal prior to smoking. Confusion and depression gradually developed, which led to psychiatric evaluation. He continued to smoke marihuana and gradually withdrew from reality, developing an interest in occult matters which culminated in the delusion that he was to be the Messiah returned to earth. He attempted suicide three times by wrist cutting. When he was hospitalized and marihuana was withdrawn, a slow and gradual reversal of the process described occurred.

CASE 3.—Shortly after a 14-year-old boy began to smoke marihuana, he began to demonstrate indolence, apathy, and depression. Over a period of eight months, his condition worsened until he began to hallucinate and to develop paranoid ideas. Simultaneously, he became actively homosexual. There was no evidence of psychiatric illness prior to smoking marihuana and hashish. At the height of his paranoid delusions, he attempted suicide by jumping from a moving car he had stolen. He was arrested, and during his probation period, he stopped smoking and his paranoid ideation disappeared. In two six-month follow-up examinations, he was still showing some memory impairment and difficulty in concentration. Of note was the fact that he still complained of an alteration in time sense and distortion of depth perception at the time of his most recent examination.

CASE 4.—A 16-year-old girl in whom there was no prior psychiatric difficulty smoked cannabis derivatives (marihuana and hashish) at first occasionally, and then three to four times weekly for a period of two years. She began to lose interest in academic work and became preoccupied with political issues. From a quiet and socially popular girl, she became hostile and quite impulsive in her inappropriate verbal attacks on teachers and peers. She dropped out of school in her senior year of high school, which led to phychiatric referral. She showed inappropriate affect and developed paranoid ideas about an older sister's husband having sexual interests in her. She refused to give up smoking marihuana and eventually became so depressed that she attempted suicide by hanging. After withdrawal from the drug, her depression and paranoid ideas slowly disappeared, as did her outbursts of aggression. Ten months of follow-up showed continued impairment of memory and thought disorder, marked by her complaint that she could not concentrate on her studies and could not transform her thoughts into either written or spoken words as she had once been able to do quite easily.

B. Psychoses without suicidal attempts

Four individuals, all male between the ages of 18 and 24, showed psychoses as a consequence of smoking cannabis derivatives. As with those who attempted suicide, this group showed no prior history of ego fragility predisposition to psychosis, or familial history of psychosis.

CASE 1.—A married 24-year-old man who had shown no previous psychiatric illness or evidence of personality disorder met a group of new friends who taught him to smoke marihuana. He enjoyed the experience so much that he smoked it daily for two months, claiming that it did not interfere with his daily functioning. He even said that he could think more clearly. Gradually he began to withdraw from his friends and seemed suspicious of them. He developed ideas of reference, believing that his friends talked about him saying that he was impotent. (Impotence had actually occurred on several occasions after he had smoked a large amount of "good hash.") He also believed that he was developing heart disease as a result of "bad drugs." He had experienced palpitations and a feeling of his heart "jumping" in his throat on several occasions while smoking some Mexican marihuana. He believed that his friends were trying to do away with him in order to have his wife. At the end of the two months, he showed a full-blown paranoid psychosis and had delusions of grandeur. He believed that he had developed a superior intellect at the expense of a loss of his sexual life. He was the first member of a new "super race." After stopping his smoking, his delusional ideas disappeared and he returned to his normal functioning in his job and marriage.

This patient and the others in this subgroup, although delusional, were never hospitalized, since they adequately functioned in other ways. It was only after some acquaintance with the psychiatrist that each of these patients told of his delusional system. Characteristic of some of our long-term marihuana smokers who develop paranoid delusions is an ability to function for a period of time without others being aware of their illness, either because they join groups who share their aberrational thinking or because they keep their delusional thoughts to themselves.

We have also noted that, as these individuals withdraw from marihuana, the delusional system is given up more quickly in those patients who have been smoking for a shorter period of time; however, as better reality testing is achieved, these patients seem to be left with a residual of some memory difficulty and impairment of concentration. One patient has shown this for two years at the time of this writing.

CASE 2.—A 20-year-old man developed delusions of omnipotence and grandeur six months after starting to smoke marihuana. He believed that he was in charge of the Mafia and that he was an Eastern potentate of the Ku Klux Klan. He began to collect guns and knives in addition to training his German shepherd dog to attack others. He had not previously smoked marihuana except experimentally on two occasions while in college. He graduated cum laude in business administration in less than three years by attending summer school. He worked in a family business and was doing creditably in his job as well as in his social life. He found his way into a "swinging" crowd that smoked cannabis derivatives regularly. He took up "the habit" and almost immediately noticed changes in his working pattern and a shift or decline in ambition. He gradually withdrew from a heterosexual relationship after a few episodes of impotence while "high" on hashish. He became apathetic and more of a "loner," and then finally became distrustful of his friends and family. At this point, he sought psychiatric treatment and told of his delusional thoughts, fearful that he was losing his mind. Upon withdrawal from the drug, psychotic symptoms disappeared, yet a residual of difficulty in thinking (which he described as "fuzzy") was still complained of in a one-year follow-up examination.

CASE 3.—An 18-year-old boy who smoked marihuana and hashish regularly for a three-year period became progressively withdrawn, confused, and depressed. His interest in astrology and Eastern religions increased. He became a vegetarian and practiced yoga. He had the delusion that he was a guru and eventually believed that he was the son of God who was placed on earth to save all people from violence and destruction. This patient gave a history of mild anxiety and headaches in his earlier adolescent years, as well as that of some difficulty in getting along with others. Prior to smoking marihuana, he had mild general and social anxiety and headaches for several years. He began smoking marihuana occasionally with friends at the age of 15, and over a two-year period, showed signs of ego decompensation. He did poorly in school, although he could "get along." When he increased the frequency of smoking, delusional symptoms began to develop. Consultation with one of us previously because of some of his adolescent difficulties made it easier for him to consult us again upon becoming concerned with his beliefs that he was God's son. He knew that his thoughts were not "right" and worried when a smoking friend told him of his own similar delusions. There was even a joke among his crowd that they knew "a guy had gone too far" when he thought that he was like a god. Persuasion could not convince this young man to give up cannabis, although he acknowledged that his symptoms resulted from drug use. After consultation, he moved to the west coast and continued his unproductive, aimless life, supported financially by his parents.

CASE 4.—A 19-year-old boy smoked marihuana for four months, gradually developing ideas of reference. Believing he had superhuman mental powers, he felt that he was able to communicate with and control the minds and actions of animals, especially dogs and cats. No one knew of his belief in his messianic powers and divine rights. He was referred for psychiatric consultation by his school because of a sharp decrease in his interest in his schoolwork. He seemed listless, apathetic, and depressed. Prior to smoking marihuana he had been outgoing and did well academically, but following the onset of smoking he shunned family and friends. He continued to maintain good grades on the basis of sheer momentum of accumulated academic experience, although there was decline in academic interest.

His most closely guarded secret was the belief that he was the Messiah, and although he believed this to be a "weird idea," he felt it to be true and thought that marihuana gave him this power.

Upon cessation of marihuana smoking, the delusional system disappeared, and he was able to return to a level of functioning similar to that of the days before marihuana smoking.

It was our impression in these cases that the use of cannabis derivatives caused such severe decompensation of the ego that it became necessary for the ego to develop a delusional system in an attempt to restore a new form of reality. It would appear that this type of paranoid reaction is a direct result of the toxic effects of cannabis upon the ego organization of those patients described in this study.

We have not included in this communication a large number of cases of psychosis due to the use of other psychotomimetic drugs in combination with cannabis derivatives. It is our impression that those patients who had been taking LSD or mescaline or both with marihuana appeared to have more acute psychotic reactions which were accompanied by greater panic and distress, resulting in more frequent need for hospitalization, than those smoking marihuana alone.

C. Borderline States (ego decompensation) in those on trial for possession of marihuana

Twelve adolescents (aged 15 to 18), nine male and three female, had smoked marihuana regularly for one or more years prior to being arrested for using marihuana. In each instance, the legal authorities asked for a psychiatric evaluation, and none of these individuals smoked marihuana immediately prior to the examination. All 12 showed evidence of ego decompensation and disturbance in reality testing, memory, social judgment, time sense, concept formation, concentration, abstract thinking, and speech production. All 12 gave a history of steadily declining academic ability and class standing, and all felt isolated from others. Eight of this group complained of trouble converting thoughts into words, which resulted in a rambling, disjoined flow of speech with hesitation and circumstantiality. Memorized phrases were frequently substituted to mask the loss of speech and thought continuity.

Three of these adolescents had periods of depersonalization while *not* under the influence of the drug. They felt that they were watching themselves and others interreact, as if in a dream.

None of these 12 individuals showed evidence by history of psychotic disturbance prior to beginning to smoke marihuana.

Psychological testing performed on four patients in this group showed these patients to have regressed to early stages of psychological development and to be relying on omnipotent and grandiose fantasies as methods of psychological defense against anxiety. All of these patients showed impairment in control of impulses and judgment, and an inability to distinguish the subtleties of the feelings of others in social situations. Limited attention span and encroachment on reality testing, as well as generally impaired cognition, were evident in all.

The psychological tests were done without the psychologists' previous knowledge of cannabis use by the patients, but testing was not used to help determine whether cannabis was used or whether cannabis produced a specific effect. It was used instead to help determine the extent of ego decompensation.

A bright 16-year-old boy smoked marihuana for 18 months. He had a "B" average prior to smoking. He was well liked by teachers and peers, seemed happy, and appeared to have no more difficulties than other adolescents prior to smoking marihuana. He said that he began to smoke because his friends did. He felt that it was safe, believing marihuana was harmless. As he began to notice some apathy, loss of goal direction, and increasing depression, he still felt that marihuana was not harmful.

Upon examination, he attempted to win over the psychiatrist with a pleasant, willing, cooperative manner. There was, however, mild disorientation, feelings of omnipotence, and a feeling of isolation.

In psychological testing, he had bright-normal scores on the Wechsler-Bellevue intelligence scale. He showed poor attention span and concentration and poor retention of acquired, as well as of accumulated, knowledge. There was evidence of tenuous control of impulses. Reality testing was impaired. The psychologist reported "early signs of personality decompensation in that he retreated into himself. He functioned at a level of early childhood, believing in his own omnipotence. This state might result in further impulse-motivated behavior so that he would probably commit further asocial and/or anti-social acts prior to becoming severely depressed."

D. Borderline states (ego decompensation) not at first associated with marihuana

Six individuals 14 to 20 years of age, five male and one female, were seen in consultation. All of these individuals were seen because of the chief complaints of general deterioration in schoolwork, inability to concentrate or to pay attention in class, gradual decrease in academic standing, apathy, indifference, passivity, withdrawal from social activities, and limitation of interest. All showed the same evidence of ego decompensation as described in group C, including disturbance in reality testing, memory, social judgment, time sense, concept formation, concentration, abstract thinking, and speech production. All felt isolated from others. Four of these individuals showed no prior history of these symptoms, while two showed some difficulty in concentration in school prior to smoking marihuana. In the latter two, the difficulty in concentration became far more pronounced following regular smoking of marihuana.

CASE 1.—A 19-year-old college freshman arrived on time for psychiatric consultation, dressed in old, torn, dirty clothes. He was unkempt, with long hair that was uncombed and disheveled. He talked in a slow, hesitant manner, frequently losing his train of thought, and he could not pay attention or concentrate. He tried hard to both talk and listen, but had difficulty with both. He had been an excellent high-school athlete and the highest student in his class in a large city. He was described as neat, orderly, and taking pride in his appearance, intellect, and physical fitness. During the last half of his senior year, he began casual (one or two marihuana cigarettes each weekend) smoking. By the time of the evaluation in the middle of his first college year, he was smoking several marihuana cigarettes daily. While in college, he stopped attending classes, didn't know what his goals were, and was flunking all subjects. He partook in no athletic or social events, and was planning to drop out of college to live in a young, drug-oriented group.

CASE 2.—A 19-year-old boy entered college with an "A" average. He began smoking marihuana early in the freshman year, and within two months of starting to smoke cannabis, he became apathetic, disoriented, and depressed. At the semester's end, he had failed all courses and lacked judgment in most other matters. Upon return to his home, he discontinued marihuana after a total period of 3½ months of smoking. Gradually, his apathy disappeared, his motivation returned, and his personal appearance improved. He found employment, and in the following academic year, he enrolled at a different university as a preprofessional student. His motivation returned, as did his capability. As with so many of our patients, this young man told his psychiatrist that he had observed changes while smoking marihuana; he even went to a college counselor and told the counselor that he felt he was having a thinking problem due to smoking marihuana. The counselor reassured him that the drug was harmless and that there was no medical evidence of difficulties as a consequence of smoking.

E. Ego impairment marked sexual promiscuity

Thirteen female individuals, all unmarried and ranging in age from 13 to 22, were seen in consultation with almost the same symptoms as those in groups C and D. (One in this group was psychotic and is listed as case 1 of group A. Thus, our total reported group of cases remains 38, not 39).

This group is singled out because of the unusual degree of sexual promiscuity, which ranged from sexual relations with several individuals of the opposite sex to relations

with individuals of the same sex, individuals of both sexes, and sometimes, individuals of both sexes on the same evening. In the histories of all of these individuals, we were struck by the loss of sexual inhibitions after short periods of marihuana smoking. Seven patients of this group became pregnant (one on several occasions), and four developed veneral diseases. Each showed confusion, apathy, depression, suicidal ideas, inappropriateness of affect, listlessness, feelings of isolation, and disturbances in reality testing, and among the 13, all of whom attended junior high school, high school, or college, all showed a marked drop in academic performance. The decline in academic performance was in direct proportion to the frequency and amount of smoking. Most smoked three or more times weekly.

Five of the 13 were engaged in homosexual activities which began after the onset of smoking, and three attempted suicide.

In no instance was there sexual promiscuity prior to the beginning of marihuana smoking, and in only two of the 13 cases were there histories of mild anxiety states prior to smoking. We take these results to indicate marihuana's effect on loosening the superego controls and altering superego ideals.

ADOLESCENT DEVELOPMENT AND MARIHUANA

The nature of adolescent development is of importance in a discussion of marihuana. The adolescent may begin to smoke marihuana and then suffer damage in further psychological growth, development, and maturation.

In brief, adolescence has as its central driving force the organic, maturational establishment of puberty. Related to physical changes of adolescence are profound (normal) psychological changes.

Anna Freud [12] has described these psychological changes in the normal adolescent as follows:

It is normal for the adolescent to behave . . . in an inconsistent and unpredictable manner; to fight his impulses and to accept them; . . . to love his parents and to hate them; . . . to thrive on imitation of and identification with others while searching unceasingly for his own identity; to be more idealistic, artistic, generous, and unselfish than he will ever be again; but also the opposite, self centered, egoistic, and calculating.

These psychological changes, according to Pearson,[13] are due to the unsettling effect of sudden, general bodily growth and the gradual changes in primary and secondary sexual characteristics, as well as to a final stage of myelinization within brain tracts which leads to greater perception of nuances of color and sound. Pearson also described the conflict of generations, and how lack of parental understanding further weakens the adolescent's ego, leading to the psychological changes already mentioned.

The normally developing adolescent compares the image of his body (often characterized by uneven growth spurts) to his preadolescent body (smooth and even), to those of his peers (different), and to those of adults (who are ambivalently admired), and feels himself lacking. He is bombarded by known sexual impulses related to the organic sexual changes, and he feels overwhelmed and at first unable to control or deal with these impulses effectively. He feels flooded by subtleties of color and sound never before perceived, but now very taxing to his mind. Typically, in efforts at management of these biologically induced phenomena, and also due to the struggle with his parents, he regresses psychologically and tends to handle these anxieties in paradoxical ways, as by immersing himself in glaring colors and loud sounds, by fighting with parents, or by dressing in a bizarre way which accentuates his body-growth disproportions.

The normal adolescent needs support and guided firmness from the parent. If this is missing, he may turn increasingly to drugs. The adolescent living in a ghetto has the added problem of the absence of daily necessities, making reality harsh and the appeal of drugs even stronger. When the adolescent is further exposed to equivocation by authorities in speech or writing on the innocence or dangers of marihuana, then his urge toward a drug solution for conflict may be enhanced, and if there has been a lack of support and interest in the child prior to adolescence and a lack of continuing interest, support, and benevolent firmness by the parent in the teen-age years, the adolescent may still more readily turn to drugs.

To illustrate the issue of lack of firm guidance, several of our patients had parents who talked to the adolescent of their own curiosity about the effects of marihuana, without emphasizing its dangers, or emphasized the discrepancies in the law, without insisting that the youngster must not use marihuana or other drugs because of the serious effects that would occur. We have found that equivocation by the parents has contributed to eventual drug experimentation.

Most often, the normal adolescent, weakened by his own rising sexual pressures, body changes, and disillusionment with parental ideals, seeks peer relationships to establish new ideals and thereby strengthen his own character. Among his peers today, he finds many smoking marihuana. He cannot tolerate the isolation from those who smoke. Also, the need to repudiate parental ideals is strong. In his desperation to find new ideals, he turns to those who use drugs. Even though their smoking frightens him, gradually he accepts their drug use. He cannot see any changes in his friends as a result of smoking cannabis (early changes are even difficult for the professional to detect). He identifies, however, with their rebellious attitude toward authority as expressed by their use of marihuana. He may then smoke. At first, he is puzzled and disappointed at not reaching a "high" (which he will not admit to his new friends), and he fails to see any adverse effect upon himself other than some exaggeration or distortion of sensory perceptions. He continues to smoke in an attempt to achieve an effect. His parents and others are thought to be alarmists; he can see no harm in "smoking a little pot." He is unaware that increased smoking over a period of time will likely deprive him of the ability to adequately resolve his internal conflicts.

When we examined the effects of marihuana on the adolescents in our study, we were struck by the accentuation of the very aspects of disturbing bodily development and psychological conflicts which the adolescent had been struggling to master. Marihuana accentuates the inconsistencies of behavior, the lack of control of impulses, the vaguenss of thinking, and the uncertainty of body identity which Anna Freud described.[12] Moreover, dependency and passivity are enhanced at a time when the more natural course would be to master dependent yearnings and to become independent. Rebellion toward parents and authority is increased while the adolescent is struggling toward abandoning such rebellion. His uncertainty about sex grows while he smokes marihuana. The desire to be independent diminishes while he is smoking with his peers.

While the adolescent is struggling to master his feelings about bodily growth surges, he is confronted with further changes in the mental image of his body if smoking marihuana. Also, while he is struggling to master new physical, intellectual, and emotional strengths, he is hampered by marihuana. This leads to further anxiety.

Moreover, while struggling to make order out of the sudden flood of new sounds and colors incident to normal brain maturation, he is inundated by the changes in sensory perceptions which are the hallmark of marihuana use. While valuing clear thinking, coherent speech, alertness of reasoning, good attention span, and concentration, he is now confronted with at least temporary interference with these activities.

Our study showed no evidence of a predisposition to mental illness in these patients prior to the development of psychopathologic symptoms once moderate-to-heavy use of cannabis derivatives had begun. It is our impression that our study demonstrates the possibility that moderate-to-heavy use of marihuana in adolescents and young people without predisposition to psychotic illness may lead to ego decompensation ranging from mild ego disturbance to psychosis.

Clearly, there is, in our patients, a demonstration of an interruption of normal psychological adolescent growth processes following the use of marihuana; as a consequence, the adolescent may reach chronological adulthood without achieving adult mental functioning or emotional responsiveness.

We are aware that claims are made that large numbers of adolescents and young adults smoke marihuana regularly without developing symptoms or changes in academic study, but since these claims are made without the necessary accompaniment of thorough psychiatric study of each individual, they remain unsupported by scientific evidence. No judgment on the lack of development of symptoms in large, unselected populations of students or others who smoke marihuana can be made without such definitive individual psychiatric history-taking and examination.

FOOTNOTES

[1] Dependence on cannabis (marihuana), COMMITTEE ON ALCOHOLISM AND DRUG DEPENDENCE and COUNCIL ON MENTAL HEALTH, *JAMA* 201: 368–371, 1967.

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[5] Marihuana thing, editorial. *JAMA* 204: 1187–1188, 1968.

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[9] Hartmann D: A study of drug-taking adolescents, in Eissler S, Freud A, Hartmann H, at al (eds): *The Psychoanalytic Study of the Child.* New York, International Universities Press Inc, 1969, vol 24, pp 384–398.

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[13] Pearson GHJ: *Adolescence and the Conflict of Generations.* WW Norton & Co Inc, 1958, pp 1–186.

Mr. FRENZEL. Mr. Chairman, after reviewing the report to Congress on marihuana and health, I was struck with three specific impressions.

First, despite rather widespread use of marihauna in our society today, we know very little about the long-term effects of its use. The lack of data which can be considered scientifically accurate is frightening. At the same time, there seems to be solid evidence that Congress should initiate and oversee a continuing study which will positively determine the effect of marihuana use on intellectual development, motor performance, birth defects, and other physiological as well as psychological effects.

Second, it appears that Congress might consider additional legislation to aid in such a study. Some instances of interference from local and State officials were noted in the report. If we are not able to improve cooperation voluntarily at local and State levels, perhaps through congressional action we can provide the researchers with the necessary immunity to continue the study.

Finally, it seems to me very important that we consider legislation which will make the information gathered by this study available to the public through an effective drug education program.

H.R. 5674, which increases the maximum permissible level of expenditures by the Commission on Marihuana and Drug abuse, deserves the full support of this Congress. Its study must be completed as soon as possible, and H.R. 5674 is intended to give the Commission the ability to do so.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise today in strong support of the increased authorization for the Commission on Marihuana and Drug Abuse.

In my judgment, the controversy surrounding the effects of marihuana, that it is, in fact, habit forming, degenerative, and so forth, is largely responsible for the wedge that is being driven between the young people of this country and its leadership. In my judgment, much of the generation gap could be closed if, in fact, definitive answers could be found to the thus far unanswered questions dealing with the use and possession of marihuana.

At recent meetings of medical groups, one eminent doctor advised that marihuana was, in fact, an extremely dangerous narcotic and that more severe restrictions on its use and possession were absolutely mandatory. At approximately the same time, another report was issued by yet another medical authority which stated, in effect, that the use of marihuana was not, in any respect, detrimental to the health and welfare of the user.

Not being a medical authority, I will not even attempt to respond to either side of the question since, in my judgment, there are entirely too many self-made "experts" now, who are causing much of the confusion that is present in the minds of most Americans regarding the use of marihuana.

Mr. Chairman, this issue can and must be resolved before further possible harm is done to the already shaky relationships between young people and the leadership of this country. Before we pass more restrictive legislation or eliminate that which is already law, we must, once and for all, determine the true facts of the situation. Additional rhetoric will lead only to further divisiveness, which is certainly the last thing this country needs at this juncture.

The current authorization for this Commission, $1 million, is simply not sufficient to adequately study the problem. Further incomplete and inadequate studies are just what we don't need.

In my judgment, we in the Congress have a responsibility to all Americans, young and old, to provide the facts that will finally resolve this complex and controversial issue that, in my opinion, is at the root of the present split between the generations in this country.

I strongly urge my colleagues to support the $4 million authorization as requested by the committee.

Mr. SCHEUER. Mr. Chairman, the Congress is considering today a topic of growing importance: Drug abuse. Today we vote on increasing the authorization for the Commission on Marihuana and Drug Abuse. When the Congress established the Commission last year, it recognized the need for an independent Commission composed of reasonable, fairminded men, free of institutional biases and associations, to provide the basis for factual and objective conclusions and thoughtful legislative action on marihuana. In doing so, the Congress acknowledged that it shares the general public confusion on this question, and that it is vitally interested in resolving the marihuana debate in a reasoned fashion.

Since that time in January of 1971, the National Institute of Mental Health of the Department of Health, Education, and Welfare issued a comprehensive survey of our medical and scientific knowledge on this question to date, titled "Marihuana and Health." This exhaustive study is not definitive, nor did it claim to me. It states clearly that much remains to be learned, much evidence is not yet in, and some of the most basic conclusions about the effects of marihuana remain to be drawn.

The Congress rightly expects the Commission on Marihuana to make a significant contribution to our knowledge in this field. To those of us who have been seeking solutions to the problems of drug abuse, it has become increasingly clear that the Commission will need more than its authorized $1 million in order to produce a sound, factually substantiated report. We must insure that the Commission has adequate funds to conduct the broad research and investigation to support its findings. It must be able to attract the contributions of the best minds and the most competent authorities in the field, and it will have to pay for quality.

Commissions are designed to operate outside the normal channels of the Federal Government so that they can seek answers unhindered by the prejudices and predispositions of established Government agencies. But with that freedom there is a concomitant responsibility. In its organization, operation, and final deliberations the Commission must leave no doubts about the fairness and the impartiality of its proceedings. If its work is to have a positive impact on the general problem of drug abuse it must merit the trust and confidence of the general public, and especially of our youth, who are already skeptical of official pronouncements about marihuana. The Commission is burdened with overcoming this ingrained cynicism and suspicion, developed by the exaggerations, prejudices, emotion-laden rhetoric and unfounded conclusions of official Government reports in the past. These overblown statements have destroyed the credibility we so desperately need if we are ever to convince our youth that psychedelics and narcotic drugs, which pose far greater dangers, must be avoided.

To merit that trust the Commission must have a membership and a staff that are capable, experienced, representative, without bias, and of an adequate size to meet the challenge which confront the Commission. If we approve this increased authorization today, as I am sure we will, it is incumbent on the Commission to acquire the scientific talent, the multidisciplinary skills in all the relevant fields that will enable it to produce an excellent, professional report. At the moment, four of the nine professional staff members of the Commission have previously been employed by the Bureau of Narcotics and Dangerous Drugs. This has given them valuable, relevant experience. I hope, however, that a balance of experience and expertise on the staff can soon be obtained. The recently appointed medical specialist should have his duties and responsibilities clearly defined, and he must be given clear authority in the areas of his responsibility.

The past few weeks should have clearly demonstrated to the Commission that its activities and its conclusions will be of high interest and visibility to a large portion of the public. It must take every step to insure the objectivity, the integrity and the scientific soundness of its operations, which will be indispensable to earning respect and credibility among the youth of this Nation.

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

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 601(f) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 be amended to read as follows:

"(f) Total expenditures of the Commission shall not exceed $4,000,000.".

AMENDMENT OFFERED BY MR. ANDERSON OF CALIFORNIA

Mr. ANDERSON of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of California: Page 1, after line 7, add the following:

"SEC. 2. (a) Paragraph (c) of schedule II as set out in section 202(c) of such Act is amended to read as follows:

"'(c) Unless specifically excepted or unless listed in another schedule, any material,

compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system:

"'(1) Amphetamine, its salts, optical isomers, and salts of its optical isomers.

"'(2) Any substance which contains any quantity of methamphetamine, including its salts, isomers, and salts of isomers.'

"(b) Schedule III as set out in such section is amended by striking out subparagraphs (1) and (3) of paragraph (a) and by redesignating subparagraphs (2) and (4) of such paragraph as subparagraphs (1) and (2), respectively."

Mr. STAGGERS. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from West Virginia reserves a point of order. The gentleman from California is recognized for 5 minutes in support of his amendment.

Mr. ANDERSON of California. Mr. Chairman, I commend you in your fight to eliminate drug abuse, and I know you are thoroughly aware of the problem I would like to discuss.

As you know, on March 29, I introduced H.R. 6825, a bill which would move amphetamines from schedule III to schedule II, thus severely restricting the production and abuse of this drug, known in the vernacular of the street as "speed."

Last year, during debate on the Drug Abuse Prevention and Control Act of 1970, I supported the amendment offered by our distinguished colleague, the gentleman from Florida (Mr. PEPPER), and cosponsored by my friend, the gentleman from California (Mr. WIGGINS), which would move amphetamines to schedule II.

While we were unsuccessful, we did grant "authority for the Attorney General to transfer drugs between schedules upon making appropriate findings and following the procedures prescribed in the legislation," and the conference report stated:

It is the understanding of the managers that proceedings will be initiated involving a number of drugs containing amphetamines after the legislation has become law, but exceptions will be made for a number of amphetamine-containing drugs.

The Drug Abuse Prevention and Control Act was approved October 27, 1970, and now, almost 6 months later, amphetamines have not been moved to schedule II.

Mr. Chairman, I have an amendment which would move amphetamines to schedule II—an amendment which is, perhaps, nongermane, and which would not be necessary were it not for a lack of action by the administration.

Mr. Chairman, my reason for raising this point at this time is that first, I strongly feel that amphetamines have a high potential for abuse, and should be severely restricted; and second, to prod the Justice Department, and the Department of Health, Education, and Welfare into making this move administratively as quickly as possible.

First, Mr. Chairman, there is an overproduction of amphetamines. Amphetamines are being produced at a rate of 8 billion a year, according to the Committee on Crime, while there is a legitimate need for less than 500,000. Eight billion a year—that represents a month's supply of amphetamines for every man, woman, and child in the United States.

Second, doctors have testified on the dangers of amphetamines. Dr. John D. Griffith, assistant professor of psychiatry at Vanderbilt University School of Medicine, testified:

The profession has now identified and recognized amphetamines abuse as being a major health problem—many times more serious than narcotic addiction.

Dr. Sidney Cohen, former Director of the Division of Narcotic Addiction and Drug Abuse in the National Institute of Mental Health, states:

You have already heard enough of the horror stories about the "speed freak." Unfortunately, they are true. The panic and the paranoid states, the malnutrition, the prolonged nervous breakdowns, the infections that occur—all of these are well documented.

Under current law, amphetamines are under schedule III. Under this schedule, all that a manufacturer, distributor, or dispenser of amphetamines must do, is notify the Justice Department that they are dealing in amphetamines. In order to obtain amphetamines from a manufacturer, a dispenser has no order forms. He simply writes a letter on his own stationery. In addition, there is no limit on the production of amphetamines and, in order to import or export amphetamines, a dispenser simply is required to notify the Justice Department.

Under schedule II, first, a manufacturer, distributor, or dispenser of amphetamines would be required to register with the Department of Justice and prove that he has a legitimate operation and need for amphetamines. Second, in order to dispense amphetamines, a physician would be required to order them with Justice Department order forms. Thus, the Attorney General would be aware of who ordered how much. Third, the Department of Justice would give the manufacturer a production quota to coincide with the medical needs of the United States. Fourth, in order to import or export amphetamines, a dealer must obtain an authorization from the Department of Justice.

Thus, Mr. Chairman, under schedule III, we can readily see that amphetamine production and distribution is very loosely controlled. Whereas under schedule II, amphetamines would be limited to the legitimate needs of the medical community, and its use would be severely restricted.

Mr. Chairman, the Department of Justice in conjunction with the Department of Health, Education, and Welfare, has the authority to move amphetamines to schedule II. In early February, the Department of Justice recommended this to HEW. However, HEW has not acted.

Mr. Chairman, if the administration does not move, and move rapidly to control amphetamines, I suggest that the Congress enter the picture and place amphetamines in schedule II.

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

Mr. ANDERSON of California. I am happy to yield to the gentleman from Florida.

Mr. PEPPER. I want to commend the able gentleman from California, now in the well, for bringing again to the attention of the House this most important matter.

Members of the House will recall that last year, when the comprehensive drug control bill was under consideration, the House considered this amendment offered by me and the other members of the House Crime Committee but did not adopt it, I believe largely in the belief that the executive branch of the Government anticipated taking some early action to put amphetamines under a quota system.

The other body did adopt this amendment, the same amendment we offered in the House last year, as now proposed by the gentleman from California.

The CHAIRMAN. The time of the gentleman from California has expired.

(On request of Mr. PEPPER, and by unanimous consent, Mr. ANDERSON of California was allowed to proceed for 1 additional minute.)

Mr. PEPPER. In conference, there was a slight modification made in the House version of the comprehensive drug abuse bill but the conference did not adopt this amendment, I believe in anticipation that there would be early executive action doing what the amendment sought to achieve.

If there is not early executive action on this critical matter, 8 billion—8 billion amphetamine pills are being produced and spewed out over this country every year, half of them going into the black market doing immeasurable harm to large numbers of users and producing the "speed" drugs, one of the most dangerous of all drugs taken by individuals and causing violent behavior and criminal action by the abusers.

I say, if the executive branch does not take early action on this matter I hope the distinguished Committee on Interstate and Foreign Commerce and the distinguished subcommittee of that committee, chaired by my able colleague from Florida will give the gentleman in the well and me and others who are introducing this amendment an opportunity to be heard.

I thank the able gentleman for giving me this opportunity to speak.

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

Mr. ANDERSON of California. I yield to the gentleman from Missouri.

Mr. HALL. Aside from the question of actually putting the drugs within the diverse schedules, is the gentleman aware of the fact that the Department is now requiring of all physicians, researchers, manufacturers and so forth, if they have a narcotics registry number, that they apply and pay an additional $5 fee and receive authorization under all five schedules of drugs for their use or ownership or dispensing of them?

Mr. ANDERSON of California. The gentleman asking this question being a medical doctor, is a far greater authority in this field than I am. If he says it is so, I would agree.

Mr. HALL. I would say only that as of yesterday I executed my blank as a narcotics permit holder under the Internal

Revenue Service, and it applies to all Federal or State holders of all types of scheduled drugs permits that are registered with the Department of Justice and/or Internal Revenue Service narcotics service.

POINT OF ORDER

Mr. STAGGERS. Mr. Chairman, I insist on my point of order. I believe the amendment is not germane to the bill. This amendment deals with the existing law and this bill is simply for the authorization of additional expenditures. Therefore it is not germane.

The CHAIRMAN. Does the gentleman from California desire to be heard in opposition to the point of order?

Mr. ANDERSON of California. Just briefly.

Mr. Chairman, John J. Fitzgerald of New York, in 1914, in defining germaneness, said:

The question to be answered is whether the amendment is relevant, appropriate, and a natural and logical sequence to the subject matter of the bill.

My amendment adds a new section to the bill under consideration. Both my amendment and H.R. 5674 amend the Drug Abuse Prevention and Control Act. The committee bill amends section 601, dealing with the Commission on Marihuana; my amendment amends section 202, dealing with scheduling of amphetamines.

On September 29, 1919, the Chair ruled that—

The rule on germaneness does not necessarily require that an amendment offered as a separate section be germane to the preceding section of the bill or to any other particular section of the bill, but it is sufficient that it is germane to the subject matter of the bill as a whole.

Mr. Chairman, "the subject matter of the bill as a whole" is the Drug Abuse Prevention and Control Act. I seek to amend this act, as does the bill presently pending before us.

The CHAIRMAN (Mr. MOORHEAD). The Chair is prepared to rule.

The bill under consideration amends section 601 of the Comprehensive Drug Abuse Prevention Act of 1970 to increase the authorization for the Commission on Marihuana and Drug Abuse from 1 to 4 million. No other section of the basic act is amended by the bill.

The amendment, which is the text of H.R. 6825, proposes to amend section 202 of the Controlled Substances Act to move amphetamines and certain other stimulant substances from schedule III to schedule II of the act.

Where a bill proposes to amend a law in one particular, it is well established that amendments relating to the terms of the law rather than to the bill are not germane. This bill contains only one section.

The Chair believes that the amendment goes to a subject not under consideration in the pending bill and sustains the point of order that the amendment is not germane.

Mr. MONAGAN. Mr. Chairman, I move to strike the requisite number of words.

There are commissions and commissions, Mr. Chairman. I think it is the function and the duty of the Congress continually to review the operation of these commissions, to examine their results, and to determine the validity of their continued existence.

This Commission has certainly one of the most valid objectives that any governmental commission could have, that is, to study and to report back to the Congress on this terrific problem that concerns all of us and which leaves no community in our country free from its injurious effects.

This is a domestic problem, it is an international problem, it is one that has local implications, State implications and national implications.

Therefore, Mr. Chairman, we have to pursue its solution simultaneously on all these fronts.

I recently had the privilege of serving as a Representative of this body at the meeting of the Interparliamentary Union in Caracas and was successful in persuading other countries, notably Thailand, France, and Turkey, to join with the United States in putting through a resolution urging our respective countries to increase our efforts on the international scene to control the drug traffic, to control the illegal production and manufacture of drugs, and to help bring about a solution.

Mr. Chairman, not the least important of the activities that we could pursue on an international scale would be the ratification of the Treaty on Psychotropic Drugs that just has been negotiated and is being circulated among various nations for ratification and in supporting amendments to the convention of 1961 which deals with opium and other narcotics.

So, Mr. Chairman, I welcome the initiative that we are taking today on the domestic scene and I enthusiastically support the bill.

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

Mr. MONAGAN. I shall be happy to yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Chairman, I also was present at the conference in Caracas when the gentleman from Connecticut attended as a delegate to the Parliamentary Union. I want to commend the gentleman upon his contribution in getting support and cooperation from the parliamentarians from other countries with regard to the drug traffic.

It does seem to me with these communications that we have with the other elected representatives in these other countries, particularly those involved in the drug traffic, that we will be able to reduce the drug flow and hopefully some day eliminate the drug traffic and its great peril to the youth of our Nation.

Mr. MONAGAN. I thank the gentleman from Illinois for his kind remarks.

I would merely say further that I thought it significant not only that countries who share this problem with the United States where there are illegal producers or manufacturers, but also the countries behind the Iron Curtain who do not have the problem at least to the degree that we have it at the present time, joined in this action, because they recognized the international implications of this problem and the fact that it may come to them suddenly and without warning at some time in the future.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MOORHEAD, 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. 5674) to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide an increase in the appropriations authorization for the Commission on Marihuana and Drug Abuse, pursuant to House Resolution 389, he reported the bill back to the House.

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

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

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

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

The bill was passed.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 6444, RAILROAD RETIREMENT ANNUITY INCREASE

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 390 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 390

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6444) to amend the Railroad Retirement Act of 1937 to provide a 10 per centum increase in annuities. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider, without the intervention of any point of order under clause 7, rule XVI, the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 390 provides an open rule with 1 hour of general debate for consideration of H.R. 6444 to amend the Railroad Retirement Act of 1937 and makes it in order to consider, without the intervention of a point of order, the substitute as an original bill for the purpose of amendment. The original bill would amend the Railroad Retirement Act of 1937; the substitute, in addition to amending the Railroad Retirement Act, would also extend the Commission which was established by Public Law 91-377. This is the reason points of order are waived against the substitute—nongermaneness.

The primary purpose of H.R. 6444 is to provide a 10-percent increase in railroad retirement benefits. The increase would be retroactive to January 1 of this year and a termination date is scheduled for June 30, 1972.

Historically railroad retirement benefits and social security benefits have been increased in comparable percentages at approximately the same time. Recently social security benefits have been increased 10 percent, retroactive to January 1, and a comparable increase in railroad retirement benefits is only equitable.

Benefit payments are being made from the account at a rate of approximately $154 million per month. A 15-percent increase in benefits was granted in 1970 and the annual cost is estimated at $132 million; the annual cost of this 10-percent increase is estimated at $117.6 million. These two increases total $250 million annual unfunded costs to the retirement fund.

In the legislation approved last August, a five-man Commission was established to make a study of the retirement system and make recommendations—as might be necessary to provide benefits on an actuarially sound basis—to Congress within 1 year. The Congress would then have 1 year to study the recommendations and make such changes in the system as it deemed necessary. However, the appointments to the Commission were not completed until early this year and this bill would extend the Commission's reporting time for 6 months, which will give the Commission 11 months in which to make its study and the Congress 6 months in which to study the Commission's recommendations.

The level of employment in the railroad industry has been declining for a number of years. At the present time approximately one and one-half as many people are drawing benefits as are paying into the account. The actuarial status of the account is uncertain at present and the increases proposed create further difficulties. It is expected that the Commission will submit adequate factual data and the Congress can then proceed to make necessary modifications in the system.

Mr. Speaker, I urge the adoption of House Resolution 390 in order that the bill (H.R. 6444) may be considered.

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

Mr. Speaker, House Resolution 390 makes in order for consideration of H.R. 6444 under an open rule with 1 hour of general debate.

The purpose of the bill is to provide an increase in the benefits provided for retired railroad employees.

Public Law 91-377 provided for a temporary 15-percent increase in railroad retirement annuities. It also created a commission to study the retirement system and report its recommendations to the Congress by June 30, 1971. This legislation will extend the time of reporting to December 31, 1971; the extension is needed because the question of future funding of the system has proven more complex than expected. Both the existing temporary increase of 15 percent and the further one of 10 percent proposed by this legislation will expire on June 30, 1972. It is expected that Congress will have had sufficient time to study the report and take appropriate legislative action by that time.

The increase proposed in the bill is a direct result of the 10-percent social security increase recently signed into law. The annual cost is estimated at $118 million over and above the $132 million annual cost of the existing 15-percent temporary increase. The same economic facts of life which necessitated the recent social security increases are the root causes for this legislation.

As of March 31, 1971, the railroad retirement fund, out of which all benefits are paid, stood at $4,282 million. Each month some 1,600,000 retirees receive checks totaling about $154 million. If the existing and proposed temporary increases become permanent, the Chairman of the Railroad Retirement Board has estimated that the fund will be exhausted within 20 years. This is primarily because benefit levels continue to increase while employment levels on the railroads decrease. At the present time one and a half as many people receive benefits as there are paying taxes into the retirement fund.

For these reasons the report of the Commission created during the 91st Congress is eagerly awaited. This report is due no later than December 31, 1971, 6 months prior to the expiration date of the temporary benefit increases.

The administration supports the bill in its present form, as does the Railroad Retirement Board. There are no minority views.

I have no further request for time, but I reserve the balance of my 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.

PROVIDING FOR CONSIDERATION OF H.R. 5066, AUTHORIZING APPROPRIATIONS TO CARRY OUT THE FLAMMABLE FABRICS ACT

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules and on behalf of my colleague, the gentleman from Tennessee (Mr. ANDERSON), I call up House Resolution 407 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 407

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5066) to authorize appropriations for fiscal years 1971, 1972, and succeeding fiscal years to carry out the Flammable Fabrics Act, as amended. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute recommended by the Committee on Interstate and Foreign Commerce now printed in the bill. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 407 provides an open rule with 1 hour of general debate for consideration of H.R. 5066 to extend the Flammable Fabrics Act.

The purpose of H.R. 5066, as reported by the legislative committee, is to extend for 1 year the Flammable Fabrics Act—originally enacted in 1953—and to authorize an appropriation of $4 million for fiscal year 1972.

In order to implement and enforce the act for fiscal year 1972, the Department of Commerce has estimated its cost at $1,337,000; the Department of Health, Education, and Welfare, $1,175,000; the Federal Trade Commission, $1,100,000.

The extension is for only 1 year because the Committee on Interstate and Foreign Commerce intends to consider the legislation further before making recommendations for ensuing years.

Mr. Speaker, I urge the adoption of the rule so that the bill may be considered.

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

(Mr. QUILLEN asked and was given permission to revise and extend his remarks.)

Mr. QUILLEN. Mr. Speaker, the purpose of the bill is to authorize the appropriation of $4,000,000 for fiscal 1972 to carry out the Flammable Fabrics Act.

The Flammable Fabrics Act, first enacted in 1953, has been extended several times since. At the time of each extension the scope of the act has also been enlarged so that now it applies to all articles of wearing apparel and to interior furnishings used in homes and offices. The 1967 extension authorized the Secretary of Commerce to set standards in the field of flammability, including test-

ing. Standards have been promulgated in several categories and several others are expected to be issued before the year ends, covering small rugs, children's sleepwear, and bedding.

The bill as introduced provided for authorization of $6 million for each of fiscal 1971 and 1972, and "such sums as may be necessary" thereafter. The committee amended the bill to authorize funds only for fiscal 1972, totaling $4 million. This is because the committee intends to consider legislation to again extend the scope of the legislation and will at the same time consider authorizations for future fiscal years.

It is estimated that during fiscal 1972 the Department of Commerce will need $1,337,000 to carry out its responsibilities under the act. The Department of Health, Education, and Welfare, charged with the responsibility of making studies concerning death and injuries attributed to fabric design and construction, will expend $1,175,000 on such studies, and the Federal Trade Commission, the enforcer of the act estimates its cost at $1,100,000. These estimated costs total $3,612,000. The committee authorized an additional $388,000 to cover the costs of promulgation and implementation of new flammability standards slated to go into effect during fiscal 1972.

The bill was reported unanimously.

There are no departmental views contained in the report.

An open rule with 1 hour of debate has been requested.

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.

RAILROAD RETIREMENT ANNUITY INCREASE

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6444), to amend the Railroad Retirement Act of 1937 to provide a 10 percent increase in annuities.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6444, with Mr. NIX in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. SPRINGER) will be recognized for 30 minutes.

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 rise to urge the adoption of H.R. 6444, as reported by the committee, to provide a temporary 10-percent increase in railroad retirement benefits. The increase is retroactive to January 1, 1971, so that this increase is in the same amount, and with the same effective date as applied in the case of the social security benefit increases provided earlier this year.

As Members know, social security benefits and railroad retirement benefits are usually increased in the same amounts at approximately the same time. Earlier this year the Congress provided a 10-percent increase in social security benefits, retroactive to January 1, 1971. The purpose of this bill is to provide a similar 10-percent increase for all railroad retirement beneficiaries who did not receive an increase by reason of the social security amendments.

In view of the continuing inflation in the United States, I do not think it is necessary to state the reasons why this increase is needed, since all Members are aware of the problem created for persons living on fixed incomes.

Unfortunately, the railroad retirement system is operating today at a slight deficit and for this reason, it was necessary last year when we provided a 15-percent increase in benefits to make that increase a temporary one. In that same legislation, we established a Commission on Railroad Retirement to study the railroad retirement system and make recommendations to us concerning the best method of providing adequate levels of benefits, and financing for those benefits. The Commission was scheduled to report to us by July 1 of this year, which would then give us 1 year in which to take action on the Commission's recommendations prior to the scheduled expiration of the 15-percent increase.

The Commission has been rather slow in getting started, because of delays in appointments and provision for funding. It now appears that the Commission will not be able to meet the July 1 deadline, so this bill extends the reporting date of the Commission to December 31 of this year.

The bill also provides that the 10-percent increase provided in this bill will expire June 30, 1972.

This will give us 6 months from the date of the Commission's report to devise necessary financing for the railroad retirement system.

The problems of the railroad retirement system are many, but they arise primarily at the present time out of the steadily declining level of employment in the railroad industry. We are now in a situation where there are almost 150 people drawing benefits from the railroad retirement fund each month for every 100 people who are paying taxes into the fund. We feel that the recommendations of the Commission will be of great help to us in devising methods for the continuation of adequate levels of benefits under the railroad retirement program together with adequate financing for those benefits.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. SPRINGER).

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

Mr. Chairman, last year when the Congress saw fit to raise social security benefits by 15 percent it triggered action within the Interstate and Foreign Commerce Committee to make a similar change in the railroad retirement benefits. This has been done previously and seems only fair.

When the 15-percent raise was considered, however, it appeared that we had clearly reached a turning point in the fortunes of the railroad retirement system and its fund. Adding the benefits without raising further the already extremely high taxes on the employees would in a short time put the actuarial balance of the fund in peril. Several schemes were considered to cure or at least alleviate the situation but it was obvious that anything we could do at that time would be partial at best and would not give us a final solution. Especially was this true when we considered the fact that future changes in the social security system would undoubtedly be made.

Under the circumstances it was decided to make the 15-percent raise temporary, only running until July 1, 1972. At the same time a commission was authorized to study the long-range situation and come forth with recommendations for basic changes to meet present and future anticipated demands on the fund. The Commission was not to report until July 1 of this year, giving a full year for committee and congressional consideration and action.

As events turned out we did not have that much time. As you well know, a further 10-percent increase in social security has been approved, and clamor for a corresponding increase in railroad retirement was inevitable. Meanwhile, the study Commission had not been able to get going because of delays in the appointments and the necessary funds. It is ready to operate now and is doing so, but a deadline of July 1 for a final report is entirely unrealistic. The Commission as finally constituted is made up of two professors, one from Michigan and one from Georgia, two distinguished leaders of railroad labor and the chief negotiator for the Association of American Railroads.

Knowing full well that adding another 10 percent to benefits at this stage would complicate the problem by an additional $118 million per year, the committee decided to proceed. The benefits will be paid retroactively to January 1, 1971. They will expire, however, at the same time as the 15-percent payments expire, on July 1, 1972.

The Commission asked for an additional year to complete its deliberations and report. Actually this was a reasonable request. To agree to it would have necessitated changing the expiration date of the first raise and continue the burden of a full 25-percent increase for an entire additional year. It was felt that this was asking too much of the fund and accelerating its precarious position to a danger point. As a result, the bill before us today extends the reporting date by only 6 months and will require final recommendations by the end of this year. By doing this and maintaining the original expiration date of the two raises we are leaving ourselves only the first 6

months of the second session of this Congress to hammer out legislation which can make this system and its trust fund viable. A careful reading of the committee report will quickly convince you that this is no small task and that the problems of the railroad retirement system are real and they are immediate.

With all of these difficulties we feel that the bill presented to you by the committee for approval is the best possible solution at this time and that it should be passed by the House.

Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Tennessee, a member of the subcommittee (Mr. KUYKENDALL).

Mr. KUYKENDALL. Mr. Chairman, I want to congratulate the chairman of the committee and the ranking Republican member, as well as the chairman of the subcommittee and the ranking Republican member, for the work they have done in helping expedite this important legislation.

The gentleman from Illinois (Mr. SPRINGER) has pointed out the fact that this increase is temporary until we can get a report back from the committee which has been appointed to make a long and meaningful study as to what truly needs to be done to the trust fund for railroad employees.

I want to give my full support to this legislation and urge its immediate passage.

Mr. BURKE of Massachusetts. Mr. Chairman, I rise to indicate my support for H.R. 6444 which would, in effect, bring the benefits under the railroad retirement system on a par with the recently approved increases in social security benefits. I know the situation facing the funding behind railway retirement benefits is precarious at best. But pending the receipt of the report of the Commission created by Congress last August, we, the elected representatives of the people, do have an obligation to see to it that the railway workers who have devoted their lives to a vital national industry should receive the increased benefits which Congress recently determined were necessary for those covered by social security. In supporting the increase today pending a final report by the Commission, I am accepting the recommendation of the Railway Retirement Board and rejecting the advice of the Office of Management and Budget in requesting that the increase not take effect until January 1, 1972. OMB is displaying this administration's usual concern for the inflationary impact on the economy where workers' benefits are concerned. I have yet to see any concern displayed over the inflationary impact of rising corporate executive bonus and pension systems and/or accelerated depreciation allowances. We in Congress have a responsibility to act even in the absence of administration leadership and continue to do what we have always done in the past and maintain the benefits of the railroad retirement system on a par with the social security system.

Mr. ANDERSON of Illinois, Mr. Chairman, unfortunately, a previous engagement in Illinois will prevent me from being present when the final vote is taken on H.R. 6444 which provides a temporary 10-percent increase in benefits for retired railroad employees. But I do want to take this opportunity to express my strong support for this legislation.

As you know, in the last Congress we authorized a temporary 15-percent increase for these retired railroad employees, and at the same time we established a commission to study the retirement system and report its recommendations to the Congress by June 30 of this year. The legislation before us today would extend the life of the Commission for another 6 months, and the 10-percent increase in this bill and the 15-percent increase authorized in the last Congress would expire on June 30, 1972. It is hoped that there will be sufficient time between the time the Commission reports its findings and the expiration date of these temporary increases, for the Congress to study those recommendations and take appropriate legislative action.

In the meantime, we owe it to the retired railroad employees to enact this temporary benefit increase legislation. This bill has the support of the administration, the Railroad Retirement Board, and I am confident that it will receive the support of the overwhelming majority in this body.

Mr. KEMP. Mr. Chairman, I rise in support of H.R. 6444 which provides for an increase in benefits comparable to that recently provided social security recipients and authorizes a 6-month extension of the time given the Commission on Railroad Retirement to conduct a thorough study of the entire railroad retirement system.

There is some concern that under the contracts signed by the railroads with Amtrak, the railroads can take unilateral action to dismiss and displace employees and to rearrange and assign forces prior to the execution of those contracts. The effect of this would be to forever deprive certain employees of their rights which they would secure under the implementing agreements.

For example, a dismissed employee evidently must exercise his option to resign and receive separation pay within 7 days of the date on which he is dismissed. Many employees may resign long before implementing agreements are executed.

It is probable that such implementing agreements would transfer the seniority rights of dismissed employees to seniority rosters following which they could bid on comparable positions and remain in the employ of the railroad thereby preserving the many benefits, such as railroad retirement benefits which they would forfeit by resigning and accepting separation pay.

Mr. Chairman, I urge the Commission to begin study of this matter immediately and to report to the Congress as soon as possible. In addition, I am hopeful that the findings of the Commission will allow the benefit increases we have voted today to be made permanent.

Sufficient retirement income is essential to the human dignity of those who have worked long years and contributed to a retirement system which they believed would adequately provide for them after their active working years were over. The economic security of all of us is protected by the economic security of those who have passed the age of active employment.

While I strongly support this bill, I hope additional legislation will correct an inequity. Retirees who have earned both railroad retirement and social security benefits, I believe, are entitled to receive increases authorized for both programs.

There is no justification for such a reduction in benefits and I am disappointed that this legislation does not correct the situation. I am hopeful that the Commission will also make an in-depth study of this matter for I am confident they will recommend that retired citizens deserve the full retirement compensation they have earned.

Mr. PRICE of Illinois. Mr. Chairman, railroad retirees today are victims of increasing inflation as are all persons who must live on fixed incomes. In light of the recent 10-percent increase in social security benefits, however, it is only just that railroad annuities be similarly increased. I urge, therefore, that this 10-percent temporary increase in railroad annuities be immediately implemented.

I wish to emphasize that this legislation is merely a temporary cure for a present need. The Railroad Retirement System has been operating at a slight deficit and is currently under examination by the five-man Commission. Hopefully, this Commission will be able to make recommendations as to how the Retirement System can provide adequate funding for benefits in the future.

This Commission was approved last August. Although the two congressional appointments to the Commission were made immediately, the administration postponed making its three appointments until early this year. Consequently, because of this and other delays, the Commission did not hold its first meeting until January 20 and has announced since that it will not be able to report on the scheduled date of July 1, 1971. Although the Commission can apparently overlook the urgency of this matter, Congress cannot and must not. We must make prompt provisions to alleviate the economic difficulties facing railroad retirees.

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

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

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Railroad Retirement Act of 1937 is amended by inserting at the end thereof the following new paragraph:

"(4) The annuity computed under the preceding provisions of this subsection and that part of subsection (e) of this section which precedes the first proviso shall be increased by 10 per centum."

SEC. 2. (a) Section 2(e) of the Railroad Retirement Act of 1937 is amended—

(1) by striking out "section 3(a)(3) of this Act" and inserting in lieu thereof "section 3(a) (3) or (4) of this Act";

(2) by inserting "(before any reduction on account of age)" immediately after "shall" in the first sentence of the last paragraph;

(3) by striking out the last sentence; and

(4) by adding at the end thereof the following new paragraph:

"The spouse's annuity computed under the other provisions of this section shall (before any reduction on account of age) be increased by 10 per centum. The preceding sentence and the next preceding paragraph shall not operate to increase the annuity to an amount in excess of the maximum amount of a spouse's annuity as provided in the first sentence of this subsection. This paragraph shall be disregarded in the application of the preceding paragraph."

(b)(1) Section 2(i) of such Act is amended by striking out "the last paragraph" and inserting in lieu thereof "the last two paragraphs".

(2) Section 2(i) of such Act is further amended by inserting "or in that part of section 3(e) preceding the first proviso, or of the pension," immediately after "section 3(a)(1)".

(c) Section 2(j) of such Act is amended by inserting ", or section (a) of this Act," after "this section".

SEC. 3. Section 5 of the Railroad Retirement Act of 1937 is amended by inserting at the end thereof the following subsection:

"(o) The annuity computed under the preceding provisions of this section shall be increased by 10 per centum."

SEC. 4. For the purposes of approximating the offsets in railroad retirement benefits for increases in social security benefits by reason of amendments prior to the Social Security Amendments of 1971, the Railroad Retirement Board is authorized to prescribe adjustments in the percentages in the Railroad Retirement Act of 1937, and laws pertaining thereto, in order that these percentages, when applied against current social security benefits not in excess of $275.80 a month, will produce approximately the same amounts as those computed under the law in effect, except for changes in the wage base, before the Social Security Amendments of 1971 were enacted.

SEC. 5. All pensions under section 6 of the Railroad Retirement Act of 1937, and all annuities under the Railroad Retirement Act of 1935, shall be increased by 10 per centum. All survivor annuities deriving from joint and survivor annuities under the Railroad Retirement Act of 1937 and all widows' and widowers' insurance annuities which are payable in the amount of the spouse's annuity to which the widow or widower was entitled shall, in cases where the employee died in or before the month in which the increases in annuities provided in section 2 of this Act are effective, be increased by 10 per centum. Joint and survivor annuities shall be computed under section 3(a) of the Railroad Retirement Act of 1937 and shall be reduced by the percentage determined in accordance with the election of such annuity.

SEC. 6. All recertifications required by reason of the amendments made by this Act shall be made by the Railroad Retirement Board without application therefor.

SEC. 7. (a) Section 7(c)(1) of Public Law 91-377 is amended by striking out "July 1, 1971" and inserting in lieu thereof "December 31, 1971".

(b) Section 7(g) of Public Law 91-377 is amended—

(1) by striking out ", not later than July 1, 1971" and all that follows down through "this section" in the first sentence and inserting in lieu thereof "submit to the President and the Congress an interim report of the study authorized by this section not later than July 1, 1971, and a full and complete final report of such study not later than December 31, 1971,"; and

(2) by striking out "such report" in the second sentence and inserting in lieu thereof "such final report".

SEC. 8. (a) The provisions of this Act shall be effective with respect to annuities accruing for months after December 1970 and with respect to pensions due in calendar months after January 1971; except that increases in benefits for months prior to the month of enactment of this Act shall be payable only to an individual who is entitled to an annuity or pension for the month of enactment, or who becomes so entitled in later months, on the basis of the same earnings record.

(b) The first six sections of this Act, and the amendments made by such sections (other than the amendments made by subsections (a)(2), (b)(2), and (c) of section 2), shall cease to apply as of the close of June 30, 1972. Annuities accruing for months after June 30, 1972, and pensions due in calendar months after June 30, 1972, shall be computed as if the first six sections of this Act, and the amendments made by such sections (other than the amendments made by subsections (a)(2), (b)(2), and (c) of section 2), had not been enacted.

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

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

There was no objection.

Mr. HORTON. Mr. Chairman, I rise in support of H.R. 6444, to provide a 10-percent increase in railroad retirement benefits retroactive to January 1, 1971.

Each of us is certainly aware of the compelling need for this legislation. When we passed increased social security benefits earlier this year, it was because we recognized that the people hardest hit by inflation are those living on fixed incomes. The purpose of H.R. 6444 is to extend to those on railroad retirement the same benefits received by others under social security. We have in effect promised that railroad annuities would be increased as social security benefits are increased and today we must honor that promise.

I have long felt that these increases should be automatic so that our senior citizens, to whom we owe an immeasurable debt, would be spared the fear and burden of a shrinking fixed income. Automatic increases in the levels of both railroad retirement and social security, based on periodic changes in the national standard of living, are the only real solution. I am hopeful that such long overdue legislation will be enacted by this Congress so we will no longer be forced to resort to temporary corrective measures.

Because of the tremendous financial difficulties facing the railroad retirement program, the 15 percent annuity increase voted last year was provided on a temporary basis. The additional 10-percent increase before us today will impose another serious drain upon the railroad retirement system. In my testimony before the Interstate and Foreign Commerce Comittee last month, I pointed out that as a result of the recent social security legislation, the social security tax base will be increased to $9,000 a year starting next January. Under the law, the railroad tax base goes up automatically whenever the social security base rises. This, however, will pay for only part of the 10-percent increase. I would hope that the Commission on Railroad Retirement will come up with sound recommendations to solve the programs's financial dilemma.

In the meantime, Mr. Chairman, justice requires that we provide railroad retirees the equitable treatment they deserve. When we passed the 15-percent benefit increase last year, we did so without a single dissenting vote. H.R. 6444 should also be met with our unanimous support.

The CHAIRMAN. Are there any amendments to be proposed to the committee amendment in the nature of a substitute? If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the committee rises.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. NIX, 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. 6444) to amend the Railroad Retirement Act of 1937 to provide a 10-percent increase in annuities, pursuant to House Resolution 390, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

The question is on the amendment.

The amendment was agreed to.

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

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

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

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

Mr. O'KONSKI. 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, and the Clerk will call the roll.

The question was taken; and there were—yeas 379, nays 0, not voting 52, as follows:

[Roll No. 72]

YEAS—379

Abbitt	Archer	Betts
Abernethy	Arends	Bevill
Abourezk	Ashley	Biester
Abzug	Aspinall	Bingham
Adams	Badillo	Blackburn
Addabbo	Baker	Blanton
Alexander	Baring	Blatnik
Anderson, Calif.	Barrett	Boland
	Begich	Bolling
Andrews, Ala.	Belcher	Bow
Andrews, N. Dak.	Bell	Brademas
	Bennett	Brasco
Annunzio	Bergland	Bray

Brinkley	Grover	Mosher
Brooks	Gude	Moss
Broomfield	Hagan	Murphy, Ill.
Brotzman	Haley	Murphy, N.Y.
Brown, Mich.	Hall	Myers
Broyhill, N.C.	Hamilton	Natcher
Broyhill, Va.	Hammer-schmidt	Nedzi
Buchanan	Hansen, Idaho	Nelsen
Burke, Fla.	Hansen, Wash.	Nichols
Burke, Mass.	Harrington	Nix
Burleson, Tex.	Harsha	Obey
Burlison, Mo.	Harvey	O'Hara
Burton	Hastings	O'Konski
Byrne, Pa.	Hathaway	O'Neill
Byrnes, Wis.	Hawkins	Passman
Byron	Hays	Patman
Cabell	Hechler, W. Va.	Patten
Caffery	Heckler, Mass.	Pelly
Camp	Helstoski	Pepper
Carey, N.Y.	Henderson	Perkins
Carney	Hicks, Mass.	Pettis
Casey, Tex.	Hicks, Wash.	Peyser
Celler	Hillis	Pickle
Chamberlain	Hogan	Pike
Chappell	Holifield	Poage
Chisholm	Horton	Podell
Clancy	Hosmer	Poff
Clark	Howard	Powell
Clausen, Don H.	Hull	Preyer, N.C.
Clawson, Del	Hungate	Price, Ill.
Clay	Hunt	Price, Tex.
Cleveland	Hutchinson	Pucinski
Collier	Ichord	Purcell
Collins, Ill.	Jacobs	Quie
Collins, Tex.	Jarman	Quillen
Conable	Johnson, Calif.	Railsback
Conte	Johnson, Pa.	Randall
Cotter	Jonas	Rangel
Coughlin	Jones, N.C.	Rarick
Crane	Karth	Rees
Culver	Kastenmeier	Reid, Ill.
Daniel, Va.	Kazen	Reid, N.Y.
Daniels, N.J.	Keating	Reuss
Danielson	Kee	Riegle
Davis, Wis.	Keith	Roberts
de la Garza	Kemp	Robinson, Va.
Delaney	King	Robison, N.Y.
Dellenback	Kluczynski	Rodino
Denholm	Koch	Roe
Dennis	Kuykendall	Rogers
Dent	Kyl	Roncalio
Devine	Kyros	Rooney, Pa.
Dickinson	Landgrebe	Rosenthal
Diggs	Landrum	Rostenkowski
Dingell	Latta	Roush
Donohue	Leggett	Rousselot
Dow	Lent	Roy
Drinan	Link	Roybal
Dulski	Long, Md.	Ruppe
Duncan	Lujan	Ruth
du Pont	McClory	Ryan
Dwyer	McCloskey	St Germain
Eckhardt	McClure	Sandman
Edmondson	McCollister	Sarbanes
Edwards, Ala.	McCormack	Satterfield
Edwards, Calif.	McDade	Saylor
Eilberg	McDonald, Mich.	Scherle
Esch	McEwen	Scheuer
Eshleman	McFall	Schmitz
Evans, Colo.	McKay	Schneebeli
Evins, Tenn.	McKevitt	Schwengel
Fascell	McKinney	Scott
Findley	McMillan	Sebelius
Fish	Macdonald, Mass.	Seiberling
Flood	Mahon	Shipley
Flowers	Mailliard	Shoup
Flynt	Mann	Shriver
Foley	Martin	Sikes
Ford, Gerald R.	Mathias, Calif.	Sisk
Ford, William D.	Mathis, Ga.	Skubitz
Forsythe	Matsunaga	Slack
Fountain	Mayne	Smith, Calif.
Fraser	Mazzoli	Smith, Iowa
Frelinghuysen	Meeds	Snyder
Frenzel	Melcher	Spence
Frey	Metcalfe	Springer
Fulton, Pa.	Michel	Stafford
Fulton, Tenn.	Mikva	Staggers
Fuqua	Miller, Calif.	Stanton, J. William
Galifianakis	Miller, Ohio	Stanton, James V.
Garmatz	Mills	Steed
Gaydos	Minish	Steele
Gettys	Mink	Steiger, Ariz.
Giaimo	Minshall	Steiger, Wis.
Gibbons	Mitchell	Stephens
Goldwater	Mizell	Stratton
Gonzalez	Mollohan	Stuckey
Goodling	Monagan	Sullivan
Grasso	Montgomery	Talcott
Gray	Moorhead	Taylor
Green, Oreg.	Morgan	Teague, Calif.
Griffin	Morse	Thompson, Ga.
Griffiths	Thone	Thomson, Wis.
Tiernan	Watts	Winn
Udall	Whalen	Wright
Ullman	Whalley	Wyatt
Van Deerlin	White	Wydler
Vander Jagt	Whitehurst	Wylie
Veysey	Whitten	Wyman
Vigorito	Widnall	Yates
Waggonner	Wiggins	Yatron
Waldie	Williams	Young, Fla.
Wampler	Wilson, Bob	Zablocki
Ware	Wilson, Charles H.	Zion

NAYS—0

NOT VOTING—52

Anderson, Ill.	Downing	Madden
Anderson, Tenn.	Edwards, La.	Pirnie
Ashbrook	Erlenborn	Pryor, Ark.
Aspin	Fisher	Rhodes
Biaggi	Gallagher	Rooney, N.Y.
Boggs	Green, Pa.	Runnels
Brown, Ohio	Gross	Smith, N.Y.
Carter	Gubser	Stokes
Cederberg	Halpern	Stubblefield
Colmer	Hanley	Symington
Conyers	Hanna	Teague, Tex.
Corman	Hébert	Terry
Davis, Ga.	Jones, Ala.	Thompson, N.J.
Dellums	Jones, Tenn.	Vanik
Derwinski	Lennon	Wolff
Dorn	Lloyd	Young, Tex.
Dowdy	Long, La.	Zwach
	McCulloch	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Rhodes.

Mr. Boggs with Mr. Anderson of Illinois.

Mr. Teague of Texas with Mr. Gross.

Mr. Rooney of New York with Pirnie.

Mr. Fisher with Mr. Carter.

Mr. Hébert with Mr. Gubser.

Mr. Jones of Tennessee with Mr. Lloyd.

Mr. Wolff with Mr. Halpern.

Mr. Madden with Mr. Cederberg.

Mr. Hanna with Mr. Ashbrook.

Mr. Biaggi with Mr. Smith of New York.

Mr. Anderson of Tennessee with Mr. Erlenborn.

Mr. Colmer with Mr. Zwach.

Mr. Hanley with Mr. Terry.

Mr. Green of Pennsylvania with Mr. Derwinski.

Mr. Young of Texas with Mr. Brown of Ohio.

Mr. Lennon with Mr. McCulloch.

Mr. Gallagher with Mr. Stokes.

Mr. Conyers with Mr. Corman.

Mr. Pryor of Arkansas with Mr. Runnels.

Mr. Jones of Alabama with Mr. Vanik.

Mr. Symington with Mr. Dellums.

Mr. Dowdy with Mr. Aspin.

Mr. Long of Louisiana with Mr. Dorn.

Mr. Downing with Mr. Edwards of Louisiana.

Mr. Davis of Georgia with Mr. Stubblefield.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on H.R. 6444 and H.R. 5674.

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

There was no objection.

AUTHORIZING APPROPRIATIONS TO CARRY OUT THE FLAMMABLE FABRICS ACT

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5066) to authorize appropriations for fiscal years 1971, 1972, and succeeding fiscal years to carry out the Flammable Fabrics Act, as amended.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 5066, with Mr. ROBERTS in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from West Virginia (Mr. STAGGERS) will be recognized for 30 minutes and the gentleman from Illinois (Mr. SPRINGER) will be recognized for 30 minutes.

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

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

First, Mr. Chairman, I would like to tell the members of the Committee of the Whole House on the State of the Union that this bill came out of the subcommittee unanimously and out of the full committee unanimously. All of the agencies concerned with it appeared before our committee and testified in favor of it, including the Federal Trade Commission, the Department of Commerce, and the Department of Health, Education, and Welfare.

Mr. Chairman, H.R. 5066, as amended by the committee, would authorize the appropriation of $4 million for fiscal year 1972 to carry out the Flammable Fabrics Act. The committee has reported out this legislation at this time so that funds may be appropriated before the beginning of fiscal year 1972. A 1-year authorization is provided in the authorization instead of the usual 3-year authorization usually reported from our committee because the committee intends to consider legislation as soon as possible which would substantially revise enforcement of the act. It is felt that a 3-year appropriation could more appropriately be considered in connection with such legislation.

Mr. Chairman, the Flammable Fabrics Act was first enacted into law in 1953. It was a response to a series of tragic deaths resulting from burns received from children's rayon pile cowboy chaps and brushed rayon "torch" sweaters. As enacted in 1953, the legislation only applied to wearing appare!—excluding hats, gloves, footwear, and interlining fabrics.

The test of flammability was fixed in the statute, but because of its rigidity, an amendment to the standard had to be enacted in 1954 to permit the marketing of apparel made from such sheer fabrics as tulle and organdy. From the date of its enactment, the Federal Trade Commission has been charged with enforcing the legislation.

It soon became apparent that the legislation standard of flammability was too rigid and in many instances too low; and, in applying only to certain articles of wearing apparel, the scope of the statute was too limited.

Accordingly, in 1967, the act was amended to apply to all articles of wearing apparel and to interior furnishings used in homes, offices, and other places of assembly or accommodation.

Under the 1967 amendments, the Secretary of Commerce was given the responsibility for determining appropriate flammability standards where he determined they were needed to protect the public against unreasonable risk of fire leading to death, personal injury, or significant property damage. He exercises these duties through the National Bureau of Standards.

Under this authority the Secretary of Commerce has published two standards. A standard for the Surface Flammability of Carpets and Rugs (DOC FF 1–70) took effect on April 16, 1971. On December 29, 1971, a standard for the Surface Flammability of Small Carpets and Rugs will take effect.

A proposed standard for the flammability of children's sleepwear was published in November of 1970 and public hearings have been held thereon. Proceedings have also been instituted by the Secretary for the development of flammability standards with respect to bedding.

Other studies are being conducted with respect to such matters as the means by which flame-retardant treatments operate on fabrics.

As of this date only one standard has taken effect under the amendments to the act which became law on December 14, 1967.

The Secretary of Health, Education, and Welfare under the 1967 amendments to the act was given the responsibility for conducting a continuing study and investigation of deaths, injuries, and economic losses resulting from accidental burning of wearing apparel and interior furnishings. This responsibility of the Secretary is exercised through the Bureau of Product Safety of the Food and Drug Administration.

The Bureau through its study units in Boston, Cincinnati, and Denver; through the National Electronic Injury Surveillance System which ties together a statistically valid sampling of hospital emergency rooms throughout the Nation with a computer in Washington, D.C.; and through contracts with hospitals and educational institutions attempts to identify burn injuries resulting from burning fabrics and investigate, study, and analyze such injuries. Efforts are made to obtain samples of fabrics involved in burn accidents for analysis and reporting to the Department of Commerce.

It is estimated that there are annually between 3,000 to 5,000 deaths and 150,000 to 250,000 injuries from burns associated with flammable fabrics with a directly related financial loss of more than $250,000,000.

Enactment of this legislation is essential if the situation reflected by these figures is to be improved.

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

Mr. Chairman, I think I can outline this very quickly.

First, the bill will authorize the sum of $4 million for fiscal year 1972. Now, it will be considered for further authorizations later. However, what we are trying to do now is to be sure that it is included in the regular 1972 appropriation.

Also, later consideration will include possible changes of a substantive nature as against the 1-year authorization only.

Mr. Chairman, the act applies to all weaving apparel, interior furnishings for homes and offices or assembly places.

There are three agencies involved in carrying out the provisions of the act. First, the Department of Commerce sets the standards; second, the Department of Health, Education, and Welfare studies and analyzes the injuries and burns resulting from burning fabrics and, third, the Federal Trade Commission enforces the act and has done so since its beginning.

This, in substance, is the act that was testified to before the subcommittee and the full committee. There was no opposition to the extension of it, and in my opinion, the extension thereof is in the public interest.

Mr. Chairman, I recommend the passage of this bill.

I have no further requests for time.

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there are authorized to be appropriated such sums as may be necessary for the fiscal years of 1971 and 1972, but not to exceed a total of $6,000,000, and such sums as may be necessary for succeeding fiscal years, to carry out the purposes of the Flammable Fabrics Act, as amended (15 U.S.C. 1191 1204).

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

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

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert the following: "That section 13 of the Flammable Fabrics Act (81 Stat. 573) is amended by striking out '1968, and' and inserting '1968,' in lieu thereof, and by inserting immediately after 'June 30, 1970,' the following: 'and $4,000,000 for the fiscal year ending June 30, 1972,'."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose: and the Speaker having resumed the chair (Mr. ROBERTS) 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. 5066) to authorize appropriations for fiscal years 1971, 1972, and succeeding fiscal years to carry out the Flammable Fabrics Act, as amended, pursuant to House Resolution 407, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

The question is on the amendment.

The amendment was agreed to.

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

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

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

The bill was passed.

The title was amended so as to read: "A bill to authorize appropriations for fiscal year 1972 to carry out the Flammable Fabrics Act."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the bill just passed.

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

There was no objection.

EMBARGO CRISIS

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

Mr. FULTON of Tennessee. Mr. Speaker, it is with the greatest concern that I join with the many leading Members of the House and Senate in voicing outrage against and introducing resolutions instructing the President to release more than $12 billion of funds which, at his direction, have been impounded by the Office of Management and Budget.

We all have stated our particular concern over the impounded Housing and Urban Development appropriations—$942 million for low-rent public housing, $200 million in basic water and sewer facility grants, and $583 million for Model Cities.

These are vital programs, the appropriations for which were passed by the Congress in recognition of the needs of the American people, to provide employment opportunities, to spur the economy and to make possible the long-awaited improvements in our rural and urban areas. The President, misleadingly, signed these appropriation bills with every indication he agreed with these goals of the Congress. Now, he has frozen these funds in apparent disregard for their benefit to our Nation.

Mr. Speaker, it is a matter of record the impact this embargo will have on community development efforts. You yourself presented to the House yesterday the report of the Housing and Redevelopment Association pointing out the proportion of the crisis.

I note from this report one quote from a small housing authority in Tennessee, my State:

We have three projects that need immediate attention . . . the preliminary loan contract has been approved for some time now. The sites for these projects have been selected and approved . . . options were signed and will expire in a short time if we do not work fast. As you know, the price of land is growing by leaps and bounds, and it will be impossible to hold this property at our option price for an indefinite period of time.

And from a large southern city, whose application request for $6.3 million for urban renewal, was cut back to $1.4 million. The Executive Director stated:

The life-blood of our Agency . . . is in severe jeopardy; it would be extremely difficult to tailor a $6.3 million program to $1.4 million program and still produce a meaningful and significant impact on the NDP area; and the confidence and support of the residents of the area . . . will be seriously eroded.

Mr. Speaker, the President must be brought to task. He must either release these funds or be made to answer for the chaos he creates.

VIETNAM VETERANS UNEMPLOYMENT BENEFITS

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

Mr. RONCALIO. Mr. Speaker, I am pleased to have this opportunity to cosponsor legislation that will guarantee unemployed Vietnam veterans a benefit of $75 per week for up to 52 weeks.

Over 100,000 Vietnam veterans are presently receiving unemployment benefits in their respective States, on an average weekly income of about $50. And every month about 7,000 of these veterans draw their last paycheck.

At the end of World War I, the Congress of the United States passed special legislation, the first such legislation since the Revolutionary War, to provide World War I veterans with a bonus—to compensate troops for what they would have earned in civilian life had they not been drafted. In continued efforts to provide help for our returning veterans, Congress appropriated an additional $120 million to double jobs available on State road projects. At this time the Federal Government was spending almost one-fourth of its annual budget on veterans' benefits.

After World War II, Congress again came to the aid of our returning servicemen, with the passage of legislation to allow veterans to receive $20 per week for 52 weeks, the "52–20 Club."

Following the Korean War, special legislation was once more enacted to guarantee veterans a minimum benefit while they sought work. The Federal Government reimbursed State governments for benefits paid to veterans beyond those available under existing State programs.

No similar program is available to Vietnam veterans, and no legislation to set up such a special program has been proposed until today.

The long-overdue proposal being introduced into the House of Representatives today allows us the opportunity to show our respect to those men who have joined the Armed Forces, who have served this Nation in Indochina, and who must now return to a civilian economy distraught with rising prices and high unemployment.

This legislation allows for a program similar to that offered at the end of the Korean War, guaranteeing an unemployed veteran $75 per week in benefits for up to 52 weeks.

It is high time this body becomes responsive to the needs of our returning veterans, no matter what may be our feelings about the war they have fought.

TRUTH IN BROADCASTING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MINSHALL) is recognized for 30 minutes.

(Mr. MINSHALL asked and was given permission to revise and extend his remarks.)

GENERAL LEAVE TO EXTEND REMARKS

Mr. MINSHALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. MINSHALL. Mr. Speaker, Edmund Burke two centuries ago said that while there were three estates in Parliament, the Reporters' Gallery comprised a fourth estate far more important than all of them.

It is not a figure of speech or a witty saying—

Wrote Thomas Carlyle of the fourth estate in 1831—

it is a literal fact, very momentous to us in these times.

It is vastly more momentous in 1971 when the printed newspage is supplemented, even supplanted, by a form of journalism neither Burke nor Carlyle could foresee—the television-radio media.

Within the last two decades the power of television has grown so significantly that a Roper poll, released in 1969, reveals that 59 percent of all Americans rely in large measure on television as a source of news, and that 29 percent of our citizens—one out of three—depend on TV as their only source of news.

Today, and in large measure due to the visual impact of news on the video screen, the fourth estate in our Nation has attained the power of a fourth branch of government, despite the fact that it is responsible to no electorate and bound by no oath of office. Television networks today can make or break an individual, a cause, a political issue, even the moral fiber of a nation, simply by the manner in which they report the news. Such awesome power as this should be accompanied by a stern, yes, by a religious commitment to accuracy and truth. That full commitment is lacking.

All of us in Washington know that when television reports a controversial event, our mail loads immediately reflect public reaction and the public generally follows where television has led them. We may know, and even document, that the facts were slanted or staged by the media, but it is difficult to overcome a viewer's conviction that "seeing is believing." And he saw it on television. It becomes gospel. Slanting news, rearranging questions and answers out of context, hoaxing the public with staged events, all of these practices are commonplace on television.

But who can convince a viewer that his favorite news commentator, the sincere chap who looks him right in the eye from his TV screen, may be today's version of the old snake-oil salesman? Or that the realistic scenes from a purported documentary actually should win an Emmy award for play-acting—clever editing—rather than a Peabody for factual on-the-scene news coverage?

It seems almost gratuitous to say that freedom of the press is, and must always be, protected by the first amendment if we are to remain a free society. Of course this is true. It is not true, if I can make my voice heard over the anguished shrieks of the TV media, that my bill H.R. 6935, truth in news broadcasting, infringes on first amendment rights. This is pure nonsense and the TV media knows it.

The proposed truth in news broadcasting legislation merely requires that when and if broadcasters stage, edit or alter any news event, or alter interviews out of context, they must let the public know with a brief disclaimer that this they have done. Just as food manufacturers are required to label their products if artificial coloring or flavoring have been added, news broadcasters under my bill would be required to label their efforts if they have artificially colored or flavored the news. This is no infringement of the first amendment, they are free to continue manipulating news reports and documentaries to their hearts' content, just so long as they properly identify such actions.

I invite any member of the news media to show me the constitutional guarantee that sanctions fraud. It is fraud of the most serious kind when the television media attempts to deceive the public by tampering with factual reporting.

The hard facts are that television news reporters and their chieftains are loathe to relinquish the increasingly sophisticated techniques the media offers to subtly put across their own points of view under the guise of news. Thomas Whiteside, writing in the Columbia Journalism Review, Winter 1968–69, very perceptively pointed out that:

A television news director skilled at manipulating and juxtapositioning, in strong individual style, innumerable fragments of visual and aural reality into a sequential mosaic . . . will carry forward the present state of instantaneous electronic-image montage to an altogether new level. It will be an extraordinarily compelling and dangerous journalistic art form.

We have seen that technique used to damaging effect at national political conventions, particularly in 1968 at Chicago. Like so many other sly television effects it is compelling. And it is very dangerous.

One of the more recent and notorious examples of TV playing footloose and fancy free with the facts is Columbia

Broadcasting's "Selling of the Pentagon." This program was in such flagrant violation of established journalistic practices of fair play that even the Washington Post condemned it. I am no apologist for the Department of Defense, far from it. Over the years as a member of the Defense Appropriations Subcommittee I have been one of its more severe critics, both of excessive spending and policy decisions. "Selling of the Pentagon" could have been a constructive critique had an honest story been told. But CBS further diminished its already fragile credibility by resorting to fraudulent reporting and editing in the documentary. No, Dr. Stanton, the end does not justify the means.

While "Selling of the Pentagon" was not the sole reason for introduction of my truth in news broadcasting bill, it was the final straw on a haystack of slanted broadcasts by the networks.

In 1968 we saw truth flee the scene in the reporting of the Democratic National Convention. The record is replete with examples of staged events by TV cameramen, biased film editing so that only one point of view was presented, and so on. The staff report of the Special Subcommittee on Investigations of the Committee on Interstate and Foreign Commerce was issued after careful study in July 1969. On page 25 of the report is this statement:

> To be specific, there appear to be questionable uses made of film editing and electronic intercutting techniques. In general, the public should probably be given more of a disclosure as to when these potentially distorting techniques are being employed in presenting television news.

Here is what the Federal Communications Commission had to say when it wrote to the three networks on February 28, 1969, and I quote from page 16 of the same report:

> The staging of news . . . is neither an area coming within the licensee's journalistic judgment nor even a gray area. Rather it is the deliberate staging of alleged "news events" . . . that is, a purportedly significant "event" which did not in fact occur but rather is acted out at the behest of news personnel . . . Such slanting of the news amounts to a fraud upon the public and is patently inconsistent with the licensee's obligation to operate his facilities in the public interest.

Not only has the law been bent, but actually broken in the staging of purported news events. WBBM–TV of Chicago, owned by CBS, presented a special news report, which, according to the script, was to show the use of marihuana on university campuses, and listeners were advised by the channel that their newsman had been invited to film the party for use within their newscasts. There followed a blast from Northwestern University, the campus involved, that the film report "was staged by the participants and others for the station's filming." The resulting investigation by the Special Subcommittee on Investigations turned up these conclusions, on page 5 of the March 1969 report:

> The record of the hearings before the special subcommittee indicates that the licensee contrived and staged the filming of "Pot Party", so as to enhance its news rating for the time period involved and thereby increase its advertising revenues . . . The FCC . . . has permitted a vast concentration of control of broadcast media to fall into the hands of a few networks and industrial and publishing complexes. An evil of such monopoly is the serious danger that listening and viewing audiences will be subjected to a constant drumfire of news and other programs designed to serve the private interest of the broadcast licensee rather than the public interest, which is the purpose underlying the free grant of such licenses.
>
> Accordingly, the special subcommittee suggests that Congress undertake a far-ranging study of the elements which now contribute to the objectivity and reliability of news events, commentaries, and other programs which may be endangered by private interests asserting more and more unrestricted control over the use of the public airwaves.

The report also concluded that:

> The licensee should not be permitted to hide behind the first amendment and obtain immunity from being held responsible for its deceptive broadcast.

As long ago as 1960, the Special Subcommittee on Legislative Oversight recommended in its House Report 1258, an investigation of regulatory commissions and agencies, that:

> It becomes the duty of Congress and the Commissions concerned promptly to enact and enforce measures which will insure that the public and not private interest is paramount in determining how licensed broadcasting facilities will be used.

This, the report said:

> Because the subcommittee feels that it is not reasonable to expect persons who have profited in the past from deceptive use of the airwaves . . . to become vigorous guardians of the public interest.

That statement of 11 years ago has proven sadly prophetic. Network newscasters not only have continued, but have actually stepped up, their arrogant abuse of the public trust to promote their own philosophies.

Viewed in this context, my truth in news broadcasting bill is both mild and reasonable. To repeat what I said earlier: my bill requires simply that just as a food manufacturer must label his product if artificial coloring or flavoring have been added, radio and TV broadcasters must label their news productions if they have been "artificially colored or flavored" by editing, staging, or rearranging questions and answers out of context. On radio this would be done through a disclaimer given by an announcer before and after the sequence; on television through a disclaimer superimposed on the screen during transmission of the sequence. My bill would not prohibit them—I emphasize would not prohibit them—from continuing to stage, dramatize or edit, it would merely assure that at the time of the broadcast such productions be labeled for what they are. As it now stands, the news audience has no way of knowing where truth leaves off and manipulation of facts takes over. The media already label "simulated" moon shots and state when a program has been "prerecorded." My bill is a logical extension of those policies. It would not turn over control of news reporting to the Government, or in any way infringe on freedom of the news media.

In fact, it seems remarkable to me that the networks do not voluntarily adopt my proposal. As honest reporters, it is an obligation they owe their audiences. As realists, they must know that a demand is rising for the FCC to give a long hard look before renewing their licenses to continue free use of the Nation's airwaves, and for Congress to enact far more stringent restraints on fraudulent news reports than my bill requires.

Until accurate, impartial reporting is given by the television-radio media, the American public will remain captives of a deceptive and monopolistic news system. There can be no greater mockery of the term "freedom of the press" than this.

Under leave to extend my remarks, I wish at this point to insert several pertinent articles in the RECORD:

[From the Plain Dealer, Mar. 19, 1971]

CREDIBILITY GAP ON TELEVISION

The television industry creates a credibility gap between itself and the public when it allows false evidence to be presented as part of what is supposed to be a factual documentary.

The National Broadcasting Co.'s vice president of corporate information, Robert D. Kasmire, acknowledges this occurred in a January program, "Say Goodbye," dealing with the threatened extinction of various species. It purported to show the death of a female polar bear, shot from a helicopter, as its cubs watched the agony. But the scenes are of different bears at different times and the female bear was being tranquilized for scientific study, not staggering in death throes as depicted. In fact, it is illegal to kill a mother polar bear with cubs.

This splicing was by an outside producer, Wolper Productions, which supplied the program to NBC for its advertising client. But NBC transmitted it without the careful scrutiny documentaries deserve. Now NBC is developing new safeguards. Either a nature documentary discloses it is using a montage of different scenes instead of an actual pictorial event, or the network won't show it.

We think this should be expanded to include documentaries of all types, especially including the war, and all filmed news reports on all networks and stations. Last year NBC, determined to show Lake Erie was dying, used an old film of fish dying in the polluted Rhine River in Germany—and called it Lake Erie. Vice President Spiro T. Agnew last night raised serious questions of authenticity about two Columbia Broadcasting System documentaries.

The public easily can be misled emotionally by TV. The distinction between a reenactment or clever splicing or substituted scenes and the real thing should be made plain.

TV's credibility with the public is at stake.

MR. SALANT'S LETTER

In our letters space today we print a response by Richard Salant of CBS News to our recent editorial concerning the dispute between CBS News, the Pentagon, Vice President Agnew, Congressman Hébert, and now—as it seems—The Washington Post. In time the U.N. may have to be called in, but for now we would like, in a unilateral action, to respond to Mr. Salant's complaint. We think it is off the point. And we think this is so because Mr. Salant invests the term "editing" with functions and freedoms well beyond anything we regard as common or acceptable practice. Mr Salant taxes us with unfairly recommending two sets of standards in these matters, one for the printed press and another for the electronic. But he reads

us wrong. We were and are objecting to the fact that *specifically, in relation to question-and-answer sequences,* two sets of standards *already* exist—and that what he and others in television appear to regard as simple "editing" seems to us to take an excess of unacknowledged liberties with the direct quotations of the principals involved.

Before we go into these, a word might be of use about the editorial practices (and malpractices) common to us both. When a public official or anyone else issues a statement or responds to a series of questions in an interview, the printed media of course exercise an editorial judgment in deciding which part and how much of that material to quote or paraphrase or ignore. The analogy with TV's time limitations, for us, is the limit on space: deciding which of the half million words of news coming into this paper each day shall be among the 80,000 we have room to print. Thus, "Vice President Agnew said last night . . . Mr. Agnew also said . . ." and so on; it is a formulation basic to both the daily paper and the televised newscast.

That bad and misleading judgments can be made by this newspaper in both our presentation and selection of such news goes without saying—or at least it did until we started doing some public soul-searching about it in this newspaper a good while back. There is, for example, a distortng effect in failing to report that certain statements were not unsolicited asertions but responses to a reporter's question. But that we do not confuse the effort to remedy these defects with a waiving of our First Amendment rights or a yielding up of editorial prerogatives should also be obvious to readers of this newspaper—perhaps tediously so by now. What we have in mind, however, when we talk of the license taken by the electronic media in the name of "editing" is something quite different, something this newspaper does not approve and would not leap to defend if it were caught doing. It is the practice of printing highly rearranged material in a Q-and-A sequence as if it were verbatim text, without indicating to the reader that changes had been made and/or without giving the subject an opportunity to approve revisions in the original exchange.

It is, for instance, presenting as a direct six-sentence quotation from a colonel, a "statement" composed of a first sentence from page 55 of his prepared text, followed by a second sentence from page 36, followed by a third and fourth from page 48, and a fifth from page 73, and a sixth from page 88. That occurred in "The Selling of the Pentagon," and we do not see why Mr. Salant should find it difficult to grant that this type of procedure is 1) not "editing" in any conventional sense and 2) likely to undermine both the broadcast's credibility and public confidence in that credibility.

The point here is that "The Selling of the Pentagon" presented this statement as if it were one that had actually been made—verbatim—by the Colonel: TV can and does stimulate an impression of actuality in the way it conveys such rearranged material. Consider, again from the same documentary, a sequence with Daniel Z. Henkin, Assistant Secretary of Defense for Public Affairs. This is how viewers were *shown* Mr. Henkin answering question:

"ROGER MUDD. What about your public displays of military equipment at state fairs and shopping centers? What purpose does that serve?

"Mr. HENKIN. Well, I think it serves the purpose of informing the public about their armed forces. I believe the American public has the right to request information about the armed forces, to have speakers come before them, to ask questions, and to understand the need for our armed forces, why we ask for the funds that we do ask for, how we spend these funds, what are we doing about such problems as drugs—and we do have a drug problem in the armed forces; what are we doing about the racial problem—and we do have a racial problem. I think the public has a valid right to ask us these questions."

This, on the other hand, is how Mr. Henkin *actually* answered the question:

"Mr. HENKIN. Well, I think it serves the purpose of informing the public about their armed forces. It also has the ancillary benefit, I would hope, of simulating interest in recruiting as we move or try to move to zero draft calls and increased reliance on volunteers for our armed forced. I think it is very important that the American youth have an opportunity to learn about the armed forces."

The answer Mr. Henkin was *shown* to be giving had been transposed from his answer to another question a couple of pages along in the transcribed interview, and one that came out of a sequence dealing not just with military displays but also with the availability of military speakers. At that point in the interview, Roger Mudd asked Mr. Henkin whether the sort of thing he was now talking about—drug problems and racial problems—was "the sort of information that gets passed at state fairs by sergeants who are standing next to rockets." To which Mr. Henkin replied:

Mr. HENKIN. No, I didn't—wouldn't limit that to sergeants standing next to any kind of exhibits. I knew—I thought we were discussing speeches and all."

This is how the sequence was *shown* to have occurred, following on Mr. Henkin's transposed reply to the original question:

"Mr. MUDD. Well, is that the sort of information about the drug problem you have and the racial problem you have and the budget problems you have—is that the sort of information that gets passed out at state fairs by sergeants who are standing next to rockets.

"Mr. HENKIN. No, I wouldn't limit that to sergeants standing next to any kind of exhibit. Now, there are those who contend that this is propaganda. I do not agree with this." The part about discussing "speeches and all" had been omitted; the part about propaganda comes from a few lines above Mr. Henkin's actual answer and was in fact a reference to charges that the Pentagon was using talk of the "increasing Soviet threat" as propaganda to influence the size of the military budget.

Surely, something different from and less cosmic than a challenge to CBS's First Amendment rights in involved in the question of whether or not the subject of such a rearranged interview should not be given a chance to see and approve what he will be demonstrated to have said. And surely this "editing" practice must be conceded—with reason—to have damaging effect on public confidence in what is being shown to have happened—shown to have been said. We agree with Mr. Salant's premise that we are all in the same dinghy. That is why we are so concerned that neither end should sink.

[From the Washington Post, Apr. 2, 1971]

F.Y.I.

Something approaching a state of hostilities seems to be developing between us and the network news people over some comments we made last week about the CBS documentary, "The Selling of the Pentagon." In essence, we said that certain editing techniques employed in a particular taped interview in one segment of the show were of the sort which could result in "a material distortion of the record" and that it was a pity to jeopardize, in this fashion, the credibility of what was on the whole a "highly valuable and informative exposition of a subject about which the American people should know more—not less."

Not exactly fighting words, we would have thought. But Mr. Richard Salant, president of CBS News, thought otherwise and last Monday in a letter from him and in an editorial in this space we exchanged views. That might have seemed enough to end the matter, except that Mr. Reuven Frank, president of NBC News, who was nowhere mentioned in our editorial, apparently thought he had been attacked, presumably because his editing techniques are the same as Mr. Salant's. So today we are publishing a singularly strindent communication from him in the Letters space on the opposite page. Meanwhile, copies of their letters to us had apparently been distributed by both men to various other people, including Mr. Fred Friendly, the Edward R. Murrow Professor of Broadcast Journalism at Columbia University, and Time magazine, which obligingly praised Mr. Salant and Mr. Frank for having "effectively refuted" us before we had even received their letters, let alone put them into print. Mr. Friendly subsequently weighed in with a letter which also appears today.

Well, we seek no wider war. On the other hand, we do seek to be understood. And so, For Your Information, we would like to try to straighten out the tangle that has been made of the rather narrow issue at hand—by way of leading up to a broader and far more fundamental issue which these rebuttals raise.

As with Mr. Salant, Mr. Frank and Mr. Friendly both seem to think that we are proposing to surrender up some sacred journalistic right; that we are disinterested in the protection of editorial independence," as Mr. Friendly puts it; or that we are proposing to "deny any reporter or editor not only the right but the responsibility of choosing which sentences in any public statement are interesting or important," as Mr. Frank puts it. Just to begin with, we were not even talking about public statements or speeches, and still less were we talking about newscasts or news stories—the run of the mill news fare. Both media of course reserve the right to exercise their own judgments about what to use and what to ignore, what to play up or down, how to paraphrase. And both are equally subject to errors of judgment in compressing material into limited time or space. But that, as any careful reading of the editorial in question would show, was not what we were talking about. There is no issue of "delegating the choosing process" here.

What we *were* talking about was what is called a question-and-answer interview (or "Q-and-A"), a technique common to both media whether it is reproduced in print or on film. Either way the "Q" is supposed to give rise to the "A." The reader or viewer is not only entitled, but positively encouraged, to believe that this is the case by the juxtaposition of the two. And what we were questioning was simply the practice of rearranging the "Q's" and the "A's" arbitrarily so as to destroy or to distort their original relationship—to present as the "A" something that didn't in fact arise from the original "Q." This, as we demonstrated in our reply to Mr. Salant on Monday, is precisely what happened in an interview with a Pentagon official in "The Selling of the Pentagon" and we think the official was quite right to protest.

Of course, the print media edit transcripts of "Q's and A's" to shorten them, to enhance continuity, or simply to make them more comprehensible. But it does seem to us that when this happens the reader deserves to be forewarned that what he is getting has been excerpted; in print this is done by dots or asterisks. Surely television, which can instantly tell us when we are getting "simulated" space maneuvers or "instant replays," and when we are getting it "live," could figure out an easy way to identify dis-

jointed excerpts as such. Nor does it seem to us to be too large a surrender of rights, when there has been serious rearranging of the original material, to allow the subject to at least look at the product before it is printed or aired and to argue about it; we offered this as an option, an "and/or" proposition in special cases, on the theory that if the subject doesn't recognize or accept the validity of what he is represented as having said, it has no validity.

Obviously the network news people don't agree, which is fair enough. What is disturbing to us, however, is the notion implicit in Mr. Frank's letter that for those in our business to raise any questions about our performance is to "Agnewize" (his phrase). If this means anything at all, it means that he would have us surrender all discussion of the news business to others—to people like Mr. Agnew. For somewhat longer than the Vice President has been on the scene, it has been our feeling that this is a genuinely dangerous surrender; that we can no longer afford to hold ourselves beyond reproach and above scrutiny and immune from criticism by ourselves—even while directing scrutiny and reproach and criticism at everything else. That is why we were examining our own performance and practices, in this space, under the rubric F.Y.I., long before Mr. Agnew launched his quixotic assault against the media a little more than a year ago. That is why we regularly print commentary on the news business by Richard Harwood on this page.

We do it because we believe there has been a long-developing deterioration of public trust in the news media—as in other institutions—and that the way to deal with this is not to stand aloof but to talk about it; to deal with our business as we treat everybody else's business; to be a little less arrogant about conceding the bare possibility of a mistake every once in a while. Mr. Frank calls this "introspection." We think of it as a matter of simple equity. How can we not treat our own business the way we treat the government, or the courts, or the church—or, for that matter, the Pentagon? Mr. Frank finds this "boring," and that may be. But if it is all that boring, you have to wonder what the gentlemen of the network news business are so wrought up about.

[From the Washington Post, Apr. 2, 1971]

NBC NEWS CHIEF REUVEN FRANK AND FRED FRIENDLY ON TELEVISION

Your editorial of March 26 suggests that when television news uses excerpts of a speech or statement, it explain how such excerpting was done. If further suggests we ask the speaker to approve this use of some of his remarks, since we are not using all of them. This is admirable arrogance at a time of boring introspection, but I might wish you were more cavalier about your own practices and less about mine.

One can try so hard to appear to do one's job right as to be unable to do it right, and this is a good example. In television news film as in print, such remarks are excerpted for importance from material of less importance, for interest from material of varying interest, and for time because unlimited time, like unlimited space, is not available. To use up the time saved by explaining how and why is a little like allowing one's secretary, as Sam Goldwyn is reputed to have done, to throw away outdated files only if copies are made.

To deny any reporter or editor not only the right but the responsibility of choosing which sentences in any public statement are interesting or important is to deny that reporters or editors are needed. Both political parties have their own publications wherein only the interested parties decide what should be used. It is frightening to think that the lead editorial in an important American newspaper should suggest that widely circulated news reports in another medium should delegate this choosing process to the most narrowly interested party, the man who made the speech.

All this suggesting is in your last paragraph, in which you elect to prescribe for our ills. Your penultimate paragraph, in which you say in effect that all news reporting is distorted but television news reporting is more distorted than most, I consider one more example of the standard lament of the editorial writer that his colleagues reporting for the news pages are too interesting.

But I had thought we were at least a decade past those days when newspapermen considered freedom to gather and transmit information freely according to the tradition of their craft was somehow a chemical component of ink. But when The Washington Post can Agnewize in this fashion I hear a bell tolling. I hope that on reflection you do too.

REUVEN FRANK,
President, NBC News.

NEW YORK.

No newspaper has done more than The Washington Post to stimulate serious broadcast journalism. But your "pox on both houses" editorial, "Mr. Agnew versus CBS versus DOD," struck me as an unfortunate shotgun indictment of all who have tried to build a mature and responsible broadcast profession. It also seemed curious that you should choose to overlook the common bond between good broadcasting and what my colleague, Norman Isaacs, calls good newspapering—fair and honorable editing.

That there is editing, "foreshortening and rearranging," in journalism is as evident to viewers of "The Selling of the Pentagon" as it is to readers of The Washington Post. Indeed, there may be even more editing and distillation in a single issue of The Post as in half a dozen documentaries or a month of Walter Cronkite news shows.

We can agree that responsible editing is essential both to intelligent broadcast and print journalism. Documentaries such as the Murrow-McCarthy broadcast in 1954, or "Harvest of Shame" or "Biography of a Bookie Joint," all praised by The Post, were the result of responsible editing as much as solid investigative reporting. The Annie Lee Moss broadcast which Mr. Murrow and I always considered a high point of our partnership, was the distillation of 20 minutes out of 90 minutes of hearings. The editing was painfully and carefully done with transcript in hand to preserve the meaning and tone of the original event.

Your editorial concedes the dangers of bad editing. But your remedy, that there be some indication "that something has been dropped and/or give the subject of the interview an opportunity to see and approve his revised or altered remarks," seems to imply that a double standard should exist—one for newspapers any one for broadcast. It has always been my understanding that one of the major points of newspaper independence has been never to permit a news source to review and/or edit what is to appear in the newspaper. Perhaps The Washington Post now operates under different rules, but I know that this protection of editorial independence is still a benchmark of broadcast news.

I can testify that the strongest motivation of a news producer or editor is to preserve original meaning. Producers often permit verbose politicians to continue endlessly in an effort to preserve the original, if redundant, meaning, only to be victims of newspaper reviewers critical of "talking heads." Indeed, this too, is a price of integrity. Implicitly, in a question and answer sequence, the original context must be preserved.

I do not mean to imply the "The Selling of the Pentagon" was without its imperfections. I have spent some time and had considerable correspondence with its producers and its detractors. In every discussion and in every letter, it has become clear that the imperfections do not mar the central thrust of the broadcast, i.e., that ". . . this gigantic and colossal propaganda machine on the banks of the Potomac . . . is still turned on," as Congressman F. Edward Hébert once put it.

We need more such documentaries, not fewer. We need more interpretive reporting, more news analysis, and this is precisely what the Vice President, the Federal Communications Commission and The Washington Post should be urging.

By equating film and tape editing with staging, I fear that your editorial tends to cloud the fundamental issue. It is akin to the Vice President charging that your reporters' copy is being distorted by your editors. I wonder what your response would be if one of your critics elected to focus on the "built-in problems" of those who deal in the permanence of the printed word.

FRED W. FRIENDLY.

NEW YORK.

[From the Plain Dealer, Mar. 17, 1971]

NBC EXPLAINS ABOUT THAT FAKE MAMA POLAR BEAR KILLING SCENE

(By Bill Barrett)

Yep, the Mama Polar Bear Murder Case on television in January was an out-and-out fake, a film composite of a couple of unrelated incidents.

That means the producers of the TV documentary, "Say Goodbye," cut up and pasted together some pieces of stock film footage and came up with that heartrending, shocking scene.

The segment was shown on NBC-TV (Channel 3 here) the night of Jan. 8. It purported to show a mother polar bear staggering in her death throes and looking on helplessly while her babies were cubnapped.

Hank Andrews, outdoors editor of The Press, wrote about it yesterday on Page One. He told of the letter of protest sent the network by some rod-and-gun people who said the scene was a fraud. It sure was.

Robert D. Kasmire, vice president of corporate information at NBC, explained the matter in a letter. He noted, first of all, that the program was not an NBC program.

The program, he pointed out, was produced by Wolper Productions Inc., an independent outfit, and supplied to the network by an advertiser for broadcast.

"We asked the producer for the details of the polar bear sequence," Kasmire wrote a viewer who had voiced his suspicions in a letter. Kasmire's reply went on:

"He informed us the scene itself was not a photographic record of an actual event but a composite creation from stock footage.

"The footage that was edited and spliced together was the shooting of a male polar bear outside the territorial limits of the US and of a female polar bear which had been anesthetized and her cubs."

This was substantially what had been charged by Chester F. Phelps in a letter to Julian Goodman, president of NBC. Phelps is president of the International Association of Game, Fish and Conservation Commissioners.

Andrews' story yesterday in The Press detailed Phelps charge of fraud.

Kasmire passed on the explanation of the film's producer—that the best existent footage was used to represent known human encroachments upon polar bears Kasmire concluded in his letter:

"While we recognize the producer's argument that the purpose was to dramatize a general truth—the possible extinction of many forms of wildlife—and not to report

specific incidents, we are actuely conscious of the fact that the montage technique can result in some viewers receiving mistaken impressions, as happened in this sequence."

Mistaken impressions, indeed. It goes deeper than that. So vivid was the scene, so skillful was the editor that many viewers were overwhelmed by the brutality—of a fake scene that wasn't rep resented as fiction.

It brought to mind the NBC–TV News documentary, as evidence of Erie's filth. "Who Killed Lake Erie?" last season. Represented—by implication, to be sure—as evidence of Eries filth was a stretch of the Rhine River. A few viewers caught that one, too.

That documentary won a number of awards.

[From the Falls News, Apr. 8, 1971]

KYC COMMENTATOR COMES UNGLUED

(By Lin Williams)

Does television have a constitutional "freedom" to manufacture news?

Ohio Congressman William Minshall thinks not.

He has introduced a bill in the House of Representatives to make it illegal for broadcast news programs to "stage" events, "rearrange" statements or "quote out of context" without informing the viewers of such distortion.

Predictably, television and radio commentators have reacted with red-hot rhetoric.

"Censorship!"

"Freedom of the press!"

"Intimidation!"

Not since Vice-president Spiro Agnew took the media to task two years ago have broadcasters so thoroughly lost their cool.

It is passing strange that the showbusiness personalities who pass themselves off as newscasters should object so strenuously. Congressman Minshall's bill only formalizes what should be normal practice.

Latest broadcaster to come unglued is Alan Douglas who conducts a sophomoric talk program over a regional radio network including KYC Cleveland. Local KYC news coverage is as complete and objective as anyone could expect. There seems to be something inherent in network procedures that turn journalists into entertainers.

Douglas' format is to condition his audience with ten minutes of personal opinion and then invite "backtalk" from his audience.

Callers who agree with him are well treated. Viewpoints contrary to Mr. Know-It-All seem to have difficulty getting past the station's switchboard. Douglas seems to delight in insulting callers who dare to disagree with him.

Thus, it came as no surprise that Douglas lost control of his professional restraint—it being tenuous anyway.

"Asinine" and "stupid" were the adjectives Douglas employed most often to cut down Congressman Minshall. One could sense the froth that Douglas uses for brains seeping down to the corners of his rather large mouth.

Douglas demanded hysterically that Representative Minshall "mind his own business"—that being to bug out of the "immoral" Vietnam war, cleanse our polluted environment and soothe social protestors.

Douglas' pet concerns certainly are the business of Congress, but so is the biased use of public property by very, very powerful; very, very rich; and very, very monopolistic broadcasters.

Broadcast channels are limited and therefore allocated as a public trust by the government. Only three networks control 95 percent of television. Competitors, by allocation of the channel franchise, are prohibited by law from setting up a transmitter and offering a different, free choice.

It is reasonable for Minshall and Agnew, or any other elected official, to expect that this valuable national resource be "balanced" and "responsible."

Minshall does not propose that the broadcasters be stopped from editing and selecting the news—only to warn when distortion of truth is possible.

We demand truth these days in packaging, lending, manufacture of foods and sale of automobiles. Newspapers are subject to libel laws, and wide-open competition. It is difficult to understand why broadcasters feel they should be exempted from responsibility that restrains all the rest of us.

Agnew did not even hint at government intervention in broadcast programs—only that they should present a "balanced" account inasmuch as the opportunities for contrary views are severely limited.

No one has suggested that the freedom of broadcasters to edit, slant, stage, rewrite and alter the news be curtailed—only that in addition it would be ethical to ease up their bias.

Bias, masquerading as news, is intolerable—whether in broadcast or print.

If the broadcasters find this too hampering, then Congress will be well advised to speed up cable television, long suppressed by the network lobby. Then this equivalent of the local, hometown newspaper can at least cry out in the wilderness.

Mr. DEVINE. Mr. Speaker, will the gentleman yield to me?

Mr. MINSHALL. I am glad to yield to the gentleman.

Mr. DEVINE. I would like to commend the gentleman from Ohio. It takes a certain kind of courage even to offer such remarks as the gentleman made in the well today when he tackled the media, particularly the networks. I presume you will get a response along the normal lines of screams of censorship, intimidation, and violation of the first amendment, violation of the freedom of the press, and violation of freedom of speech. The gentleman has a point. I suppose there will be claims of intimidation, as we have heard for so long now when anyone suggests that there may be a bias or twisting or bent coverage of the news.

I may say to the gentleman that yesterday I introduced a bill, H.R. 7756, that is not necessarily specifically related to the subject of truth in news, but it would suggest that we should study the advisability of possibly putting the networks under the jurisdiction of a regulatory agency like the Federal Communications Commission, because they are unregulated at the present time.

Again I commend the gentleman for facing up to this problem.

Mr. MINSHALL. I especially appreciate the remarks of the gentleman from Ohio, being an important member of the Committee on Interstate and Foreign Commerce.

The gentleman knows at firsthand of some of the background regarding the slanting of news by the TV news media.

Mr. Speaker, I want to emphasize that my bill in no way attempts to hamstring or restrict their operations, and the manner in which they are operating today. All I want them to do is to identify edited and staged news programs and let the public know through a disclaimer or a slide that goes on at the beginning and end of a program the true nature of the information presented.

Mr. Speaker, I emphasize that this bill would in no way stop them from continuing to edit or stage or take out of context anything they want to take. This in no way restricts the editing or other matters which I have mentioned.

Many of the news broadcasts today are cleverly put together and make them look as if it is all truth and gospel. In many instances it reflects the philosophy and thinking of the broadcasting networks.

I thank the gentleman for his remarks.

Mr. WILLIAMS. Mr. Speaker, I am pleased to be a cosponsor of the truth in news broadcasting bill introduced by my distinguished colleague, Mr. WILLIAM E. MINSHALL.

This measure does not infringe upon, nor threaten, freedom of the press. Quite the contrary; it strengthens freedom of the press. It assures that persons in news broadcasting functioning under the dignity and protection of that first amendment guaranteed-freedom remain alert to their responsibility to that same freedom.

The truth in news broadcasting bill might, in all reality, be defined as a consumer protection bill. For it requires that news sequences that have been edited, staged, or otherwise altered must be so identified for the audience. This measure could not be more timely nor more apropos to certain peculiar conditions in national controversy at this moment.

Not the least element of that controversy is the recent CBS television presentation, "The Selling of the Pentagon." In inquiring into this matter in consideration of Mr. MINSHALL'S truth in news broadcasting bill, the House Committee on Interstate and Foreign Commerce is acquiring some disturbing evidence of deceptive editing techniques employed in that same presentation. I would suggest, Mr. Speaker, that a deceptive editing technique, like a deceptive reportorial technique, is an abuse of freedom of the press. It is, in turn, an abuse of the public and its "right to know." It does not inform. It misinforms and confuses at best. It propagandizes and indoctrinates at worse.

I am advised, for example, that in "The Selling of the Pentagon," Correspondent Roger Mudd's filmed interview with Daniel Henkin, Assistant Secretary of Defense for Public Affairs, was cut from 42 minutes to just 2 minutes, 4 seconds. One question, completely mismatched with an answer to a question not even asked in the presentation, made Mr. Henkin appear an evasive, bureaucratic boob, rather than what he is: A competent public official who came to his position with a reputation as a sophisticated military reporter in his own right.

In short, I find no cause for anyone functioning under freedom of the press to object to warning an otherwise unsuspecting public when film clippers and producers are mutilating filmed interviews, statements, and reports into propaganda pieces against the responsible public officials who provided them.

DIFFICULTIES AHEAD FOR THE AMERICAN AUTO INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Pennsylvania (Mr. DENT) is recognized for 30 minutes.

Mr. DENT. Mr. Speaker, I have discussed the serious conditions in the steel, glass, and other industries.

Today I will point out the extreme dangers now facing the auto industry.

If we continue to follow our policies in trade pursued for the past decade we will be writing the death notice of the auto industry as we know it today.

The following material gathered by Newsweek is sufficiently clear for all of us to understand.

JAPAN'S BIG DRIVE IN AUTOS

On the vast Honmoku wharf in Yokohama, 14,000 bright new autos reflected the rising sun. At the pier the Kanagawa Maru, a 27-000-ton red, white and blue freighter, was starting to load 1,900 Nissan Motor Co.'s Datsun cars for the month-long voyage to the East Coast of the United States. And all this activity one recent morning, ominously enough for the world's other automakers, was only a corner of the Japanese auto-export picture. In fact, Japanese producers maintain a fleet of twenty car-carrying ships that displace more tonnage than the whole Japanese Navy. They shipped more than 400,000 cars, trucks and buses to the U.S. last year, and exported more than 1 million all told. Bulging with its own economic miracle (Newsweek, March 9, 1970), Japan is mounting a massive invasion, almost overnight, of the world's auto markets.

The U.S., of course, is the main target. In the past five years, the sales of Japanese cars in this country have soared from a piddling 16,000 to 296,000—one of every four imports sold. As a result, the Japanese cut front-running Volkswagen's share of the import market from 64 to 46 per cent, or 569,000 cars last year. In the bellwether state of California, Toyota and Datsun between them captured 33 per cent of import sales, hot on the heels of VW's 37 per cent.

But it is not in the U.S. alone that Japanese cars are riding a groundswell of popularity. In fact, this country accounts for only 44.6 per cent of Japan's auto exports, which have risen since 1965 from slightly more than 100,-000 to comfortably more than 725,000 last year. Southeast Asia is Japan's best customer after North America, but Japanese cars are also driving into parts of Europe, Africa and Central and South America. And Japanese automakers are apparently laying the groundwork for moving into the enormous potential of mainland China.

One sign of something stirring in China was the quiet purchase of several Japanese vehicles last month by officials accompanying the Chinese table-tennis team to Nagoya. Japanese automen were sure they were taking the vehicles back as samples. Trade with China could, however, be complicated by the fact that the Japanese do considerable business with both Taiwan and South Korea, mainly in auto and truck parts. Elsewhere in Southeast Asia, the Japanese have captured about 50 percent of the market in Indonesia and 36 per cent in Malaysia and Singapore. They have cut deep into the traditionally American preserve of the Philippines. In Hong Kong they account for about 30 per cent of all imports. And they are swarming into Australia with close to 7 per cent of the 5 million cars in that heavily motorized island continent.

In Europe, however, their success has been decidedly spotty. Till now, the Japanese threat to European automakers has been mainly as a competitor in export markets. On home ground, they are a cloud no bigger than a man's Honda.

The biggest sufferers at the hands or the Japanese are the automakers of Detroit. If it was simply a matter of head-to-head competition, the Americans argue, their compacts and subcompacts could easily hold their own—even though Detroit engineers do not dispute the quality of the Japanese newcomers (which have also been given high marks by Consumer Reports). But if the Japanese continue to flood the U.S. with cars and there is no flattening of the U.S. wage-price spiral, then, as Ford Motor Co. president Lee Iacocca puts it, "the Japanese are going to eat us alive."

Joiners: One way to avoid being eaten alive is to follow the old axiom: if you can't lick 'em, join 'em. And all of Detroit's Big Three are currently involved, at one stage or another, with Japanese auto companies. Chrysler is already marketing its so-called Dodge Colt, a sub-compact built in Japan by Mitsubishi Heavy Industries. General Motors chairman James M. Roche has just come back from a trip to Tokyo hopeful that the Japanese Government will approve a GM bid for a minority interest in Isuzu Motors, Ltd., Japan's sixth biggest, which specializes largely in buses and trucks. And Ford Motor Co. has been dickering for months with Toyo Kogyo, which is now offering its Mazda powered with the revolutionary Wankel rotary engine.

The Japanese have blossomed into an automotive power in an incredibly short time. It wasn't until the late 1950s that the industry embarked on its rapid expansion, with small trucks setting the pace. Passenger cars became dominant during the '60s, especially after 1965 when many Japanese could afford autos. In the passenger-car output rankings, Japan passed France in 1964, Britain in 1966 and Germany in 1967, becoming second only to the U.S. By 1970, Japanese production had reached a total of more than 5 million units—more than 3 million of them passenger cars

Of that total, nearly one-third was produced by Toyota, the clear-cut leader of the Japanese industry. Only 289,000 units behind Volkswagen in total production. Toyota is almost certain to overtake the West German firm this year with 2 million cars and trucks. That would make it No. 3 in the world, behind GM and Ford.

Ever since 1950, Toyota has been two separate companies—Toyota Motor Co., Ltd., and Toyota Motor Sales Co., a unique organizational structure among world automakers. "Our philosophy is that sales are the most important part of the auto business," says Shotaro Kamiya, president of the Motor Sales half and creator of the two-headed system.

Even Toyota's rivals heap praise on the idea, Masamachi Aiyama, an executive of second-ranking Nissan's International Division, says candidly: "In quality and performance, Datsun and Toyota are about the same. The difference is in organization. Their sales division can concentrate completely on sales without worrying about production. In Nissan, there is one single organization with 31 directors. The result is often compromise."

Even so, Nissan has hung close behind Toyota's growth rate and last year produced nearly 1.4 million vehicles vs. Toyota's 1.6 million. Some of its Datsuns also cause more excitement than Toyota's models—especially the dazzling new sports car 240Z. There are waiting lists in the U.S. of up to eight months for the Z-car, with new names added daily. Just two weeks ago, three 240Z's finished first, second and seventh in one of the world's toughest road test, the 3,840-mile East African Safari rally in Kenya.

Rivalry between the two giants is legendary; a visitor driving up to a Nissan plant in a Toyota is asked to leave his car outside the grounds. Overseas, however, there is a good deal of cooperation. "A Toyota representative abroad would never say anything bad about Datsuns," says Nissan's Aiyama. "And if Toyota failed in one country, Nissan would consider it a failure for all Japanese cars."

Parade: Behind the two leaders, nearly a dozen other automakers have joined the industry's expansion. Among the major producers, venerable Mitsubishi started gearing up for exports only last spring—but in 1970 it produced 457,160 vehicles, including 246,-422 passenger cars. This year, Mitsubishi expects to export 36,000 subcompacts to the U.S. under the Dodge Colt label. Close behind Mitsubishi is Toyo Kogyo, which also hopes to increase its shipments of Mazdas to the U.S. The Honda Motor Co., though it is still far more famous for motorcycles than autos, has been producing passenger cars since 1963—concentrating on minis and sporty cars—and last year chalked up a total of 392,908 four-wheeled vehicles. There is also Fuji Heavy Industries, Ltd., which manufactures the low-priced Subaru, imported into the U.S. by a wholly American organization, New Jersey-based Subaru of America, Inc. Its two-cylinder minicar was one of the few Japanese imports to fall flat on its face when it was first introduced, but last year a new four-cylinder model began a solid comeback with sales of about 5,000.

How have the Japanese managed to move so quickly and effectively into the impressive position they enjoy?

The easiest answer, of course, is cheap labor; Japanese autoworkers are paid about one-fourth what an American autoworker earns. But there are a number of other factors. For one thing, there is as espirit de corps among Japanese workers that is sadly lacking in Detroit. A Japanese worker enters a company on a permanent basis and feels himself a part of it. "We have not had a strike in twenty years," says Toyota's Shotaro Kamiya.

Japanese automakers also have access to inexpensive basic materials, such as steel, tires, electrical circuits, glass and batteries, and their factories are among the world's most modern. Toyota's oldest plant was built in 1959 and Nissan's a year later. "Before we started building, we were able to absorb the best foreign techniques in the world," says Yuji Shimamoto, a Nissan director.

Perhaps most important, the paternalistic Japanese Government has taken pains to protect its domestic market through a duty and tax structure that virtually embargoes foreign competition. It is this, even more than cheap labor, that particularly galls Detroit. "It isn't fair of the Japanese to hide behind this great barrier," says Matthew S. McLaughlin, Ford's vice president of sales. "They can put a Toyota in the U.S. for $50 [in duties] while it costs us $450 [in duty and taxes] to put a Pinto in there. People sometime ask us why we gripe more about the Japanese than about the Germans. The answer is simple. We're permitted to compete in a free and open market in Germany. In Japan, we are not."

The Japanese are well aware that U.S. resentment over their import policies could lead to the imposition of retaliatory restrictions against Japanese cars—especially in light of the recent wave of protectionist sentiment in the U.S. regarding textiles, shoes, steel and electronic products. But top Japanese executives are reasonably confident that such action is not imminent. "As long as our prices are fair, as long as we cannot be accused of dumping, I don't believe there will be any import restrictions," says Nissan's president, Katsuji Kawamata.

Burden: Actually, Japanese automakers are more worried about pollution and safety regulations in the U.S. than they are about import restrictions. Industry spokesmen insist that the new rules will affect their small vehicles more adversely than the larger American models. "We will be able to meet the requirements in time," says Nissan's Aiyama, "but the problem will be the price. Since a great part of our appeal is our low

price, the new regulations will be a relatively greater burden on Japanese cars." Detroit automen, however, are not impressed by such reasoning. "Sure, they're squawking," said one, "but remember they're still adding all those devices at one-quarter of the labor cost in the U.S.."

On the whole, leading Japanese automakers are convinced that their future in the United States will be rosy for some time to come. "Within three years," says Toyota's Kamiya, "we should reach an export level of about 500,000 cars to the U.S. After that, growth will level off." And Nissan's Kawamata adds: "I don't think we can keep up this sharp increase forever." Detroit, however, grimly expects them to continue doing well in the foreseeable future. Industry sources predict that imports from Japan will account for 630,000 sales this year—including cars, trucks and buses—and while some executives talk about stemming the tide, Ford's McLaughlin says frankly, "The possibility of a further price disparity has us worried. It sure as hell does."

The U.S. makers have good reason to worry. In addition to the acknowledged quality of their cars—privately, Detroit engineers rate Japanese cars as better value than most European imports—the Japanese have learned the pitfalls of a highly competitive trade and are backing their well-paced drive for the market with a solid dealer organization that offers relatively good service. Besides that, the U.S. makers are struggling to cope with the fact that the luxury automobile, as a status symbol, is fast losing its magic.

And thus far, Detroit's main counterattack—the American-made subcompact car—is not discernibly daunting the Japanese. Indeed, the GM Vega, Ford Pinto and American Motors' Gremlin would seem not only to be eroding sales of the bigger and more profitable U.S. models but entrenching the imports as well. As one West Coast executive of a Japanese firm puts it: "Pinto is chewing into Maverick the way Maverick chewed into Mustang." And it is a fact that since Ford introduced the little Pinto last September, the national sales of its slightly larger Maverick have fallen by a thudding 37 per cent from the 1970 pace. Another Japanese representative draws the clear lesson: "The American subcompacts are focusing more attention on the small-car market, and that means more customers for us. We are not in an import market anymore. We're in a subcompact market."

UNEMPLOYMENT BENEFITS FOR VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 60 minutes.

Mr. BINGHAM. Mr. Speaker, I have asked for this special order today to announce the introduction of legislation to provide special unemployment benefits to Vietnam era veterans. I am honored that 46 of our colleagues from both sides of the aisle have joined me today as cosponsors, and I hope others will join later, as they have an opportunity to study our bill.

Following World War II and following the Korean war, special legislation was enacted by Congress to provide much needed unemployment compensation to returning veterans who had difficulty finding work. For the Vietnam veteran, no such law is in effect. Today our veterans receive from the Federal Government only the level of unemployment benefits in effect in their States. These benefits currently average $52.15 per week.

There is great variation, State by State, for veterans who fought side by side in Vietnam. For example, the average benefit paid to an unemployed veteran in Florida is $39.03 per week; in Mississippi, $39.07 per week. In Colorado, the unemployed veteran receives an average of $59.69 per week while in Hawaii, the figure is $64.49.

Furthermore, the period for which unemployment benefits are paid varies from State to State, but rarely exceeds 26 weeks. Often, veterans use up their full period of unemployment compensation without being able to find a job. For the quarter ending in December 1970, the Department of Labor has informed me that 19.3 percent of those veterans who went on unemployment weeks or months earlier drew their last check without having found a job.

While unemployment is high on a national basis, averaging close to 6 percent, it is considerably higher for our veterans. Veterans in the 20- to 29-year-old age group have an unemployment rate of 10.8 percent while the figure is 14.6 percent for veterans aged 20 to 24. For minority group veterans, the figures are nearly double.

We have made special demands on our service personnel during our involvement in Vietnam. Whatever one may think of the justification for this tragic war, it is only right that we enact special unemployment benefits to ease their readjustment to civilian life, as we have for veterans of past wars.

Under present law, veterans are regarded as Government employees and may receive whatever unemployment benefits are paid by their particular State unemployment compensation program. The State is, in return, reimbursed by the Federal Government for the total amount expended by the State for benefits paid to former Federal Government employees, including veterans. In fiscal 1972, it is estimated that the Federal Government will spend $236 million to reimburse States for benefits paid to veterans.

The legislation we are introducing today would provide supplemental benefits to unemployed Vietnam era veterans to guarantee them a minimum weekly benefit of $75 for up to 52 weeks. The entire net cost of this program of supplemental benefits is estimated for fiscal 1972 to be $136 million, an amount which is less than we are currently paying for about 100 hours of fighting in Vietnam.

Mr. Speaker, the following Members of Congress are joining with me today in introducing this legislation:

COSPONSORS OF BINGHAM VETERANS UNEMPLOYMENT BENEFITS BILL

Herman Badillo, Democrat of New York.
James H. Scheuer, Democrat of New York.
Joseph P. Addabbo, Democrat of New York.
Joshua Eilberg, Democrat of Pennsylvania.
James W. Symington, Democrat of Missouri.
Alvin E. O'Konski, Republican of Wisconsin.
Jerome R. Waldie, Democrat of California.
Floyd V. Hicks, Democrat of Washington.
John E. Moss, Democrat of California.
William Clay, Democrat of Missouri.
John D. Dingell, Democrat of Michigan.
Seymour Halpern, Republican of New York.
Nick Begich, Democrat of Alaska.
Mrs. Julia B. Hansen, Democrat of Washington.
Claude Pepper, Democrat of Florida.
Don Edwards, Democrat of California.
William R. Cotter, Democrat of Connecticut.
Otis G. Pike, Democrat of New York.
Charles J. Carney, Democrat of Ohio.
Thomas M. Rees, Democrat of California.
Teno Roncalio, Democrat of Wyoming.
William S. Moorhead, Democrat of Pennsylvania.
William D. Hathaway, Democrat of Maine.
Frank Horton, Republican of New York.
Donald W. Riegle, Republican of Michigan.
Edwin R. Forsythe, Republican of New Jersey.
Ella T. Grasso, Democrat of Connecticut.
James A. Burke, Democrat of Massachusetts.
Henry B. Gonzalez, Democrat of Texas.
Ken Hechler, Democrat of West Virginia.
Mike McCormack, Democrat of Washington.
Abner J. Mikva, Democrat of Illinois.
William F. Ryan, Democrat of New York
Robert F. Drinan, Democrat of Massachusetts.
Paul S. Sarbanes, Democrat of Maryland.
Marvin L. Esch, Republican of Michigan.
Bill Alexander, Democrat of Arkansas.
Benjamin S. Rosenthal, Democrat of New York.
Gus Yatron, Democrat of Pennsylvania.
Jack Brinkley, Democrat of Georgia.
Patsy T. Mink, Democrat of Hawaii.
Hamilton Fish, Jr., Republican of New York.
James Abourezk, Democrat of South Dakota.
Shirley Chisholm, Democrat of New York.
Fred Schwengel, Republican of Iowa.

Mr. Speaker, at this point I would like to include in the RECORD a table showing the range in weekly benefits and the weeks of coverage for each State under existing State laws, as follows:

U.S. DEPARTMENT OF LABOR

SIGNIFICANT PROVISIONS OF STATE UNEMPLOYMENT INSURANCE LAWS, JAN. 4, 1971

[Prepared for ready reference. Consult the State law and State employment security agency for authoritative information]

State	Weekly benefit amount for total unemployment (in dollars)		Weeks of benefits for total unemployment	
	Minimum	Maximum	Minimum	Maximum
Alabama	$12	$50	13	26
Alaska	18-23	60-85	14	28
Arizona	10	50	12	26
Arkansas	15	50	10	26
California	25	65	12-14	26
Colorado	14	77	10	26
Connecticut	15-20	82-123	22	26
Delaware	10	65	16	26
District of Columbia	8-9	73	17	34
Florida	10	47	10	26
Georgia	12	50	9	26
Hawaii	5	86	26	26
Idaho	17	59	10	26
Illinois	10	45-88	10-26	26
Indiana	10	40-52	12	26
Iowa	9	61	11	26
Kansas	15	60	10	26
Kentucky	12	56	15	26
Louisiana	10	55	12	28
Maine	10	57	12½-30	26
Maryland	10-13	65	26	26
Massachusetts	12-18	69-104	5-30	30
Michigan	16-18	53-87	11	26
Minnesota	15	57	13	26
Mississippi	10	40	12	26
Missouri	3	57	10-26	26
Montana	13	42	13	26
Nebraska	12	48	17	26
Nevada	16-24	47-67	11	26

U.S. DEPARTMENT QF LABOR (Continued)

SIGNIFICANT FROVISIONS OF STATE UNEMPLOYMENT INSURANCE LAWS, JAN. 4, 1971 (Continued)

State	Weekly benefit amount for total unemployment (in dollars)		Weeks of benefits for total unemployment	
	Minimum	Maximum	Minimum	Maximum
New Hampshire	$13	$60	26	26
New Jersey	10	72	12	26
New Mexico	12	58	18	30
New York	20	75	26	26
North Carolina	12	54	26	26
North Dakota	15	54	18	26
Ohio	10–16	47–66	20	26
Oklahoma	16	49	10	26
Oregon	20	55	11	26
Pennsylvania	11	60	18	30
Puerto Rico	7	46	20	20
Rhode Island	12–59	71–91	12	26
South Carolina	10	53	10	26
South Dakota	12	47	10–16	26
Tennessee	14	50	12	26
Texas	15	45	9	----------
Utah	10	56	10–22	----------
Vermont	15	61	26	----------
Virginia	18	59	12	----------
Washington	17	72	8–21	----------
West Virginia	12	58	26	----------
Wisconsin	11	72	14	----------
Wyoming	10	56	11–24	----------

Finally, Mr. Speaker, I would like to include a recent editorial by CBS radio in New York City, a recent article concerning the problem of unemployed veterans from U.S. News & World Report and the full text of the bill itself, as follows:

JOBLESS VETERANS

When Johnny came marching home after World War II, the flags were out and nothing was too good for him. To a lesser degree, that was still true after the Korean war.

But not this time. The Vietnam veteran's educational benefits are less generous and public antagonism to the war itself is reflected in a reluctance to hire him.

For the young veteran without job experience before military service, job prospects in a continuously shrinking market are measurably worse than a year ago. And among black veterans the 1970 unemployment rate was double the figure for whites.

Last year the number of jobless veterans—black and white—in metropolitan New York more than doubled.

New York City departments and some of the major banks have active programs for the recruitment of veterans. They recognize the maturity and stability that most young men acquire during military service. And the federal government encourages companies to hire them by paying training allowances.

But with an expected one million servicemen released to civilian life this year, their job prospects are likely to deteriorate even further.

According to the Department of Labor's chief of veterans' employment for New York, the unemployment rate for veterans is significantly higher than for civilians in the same age group.

The nation has an obligation to these young men, a number of whom have been disabled by their war service. Every one of them is entitled to open-ended employment.

To offer them less is to invite dangerous disillusionment of the many thousands of young Americans who have more than met their own obligations to those of us who stayed safely at home.

WHY VIETNAM VETERANS FEEL LIKE FORGOTTEN MEN

Shift to civilian life is turning out to be a wrench for war-weary GI's. Scarcity of jobs is just part of a complex problem for those returning from "the loneliest war." Only now is the full story surfacing.

Veterans of the Vietnam era, now coming out of the armed services at the rate of 1 million a year, are starting to describe themselves as "forgotten Americans."

It's not because there are no flags or brass bands to greet ex-GI's when they get home. What bothers them far more is that there are not enough jobs, that veterans' benefits look better on paper than they do in reality—and that they often encounter a kind of inhospitable chill among fellow citizens.

On the books is a wide range of Government programs aimed at helping Vietnam veterans re-enter civilian life. Many of these programs, however, are now being criticized as inadequate and sometimes ineffective.

Members of Congress and veterans' organizations are hearing mounting complaints that not enough is being done for the young men who fought what has been called "the loneliest war in American history."

"NONHEROES?"

Gaining recognition, too, is the fact that Vietnam veterans are different from veterans of other wars, with special readjustment problems. Some are found to have guilt feelings about their involvement in Indo-China, regarding themselves as "nonheroes." Others resent bitterly having had to watch close friends die in a war that so many of their countrymen now feel was a mistake.

On arrival in the U.S., thousands of veterans are discovering they cannot take advantage of their Veterans Administration educational benefits because not enough money is provided to live on in today's inflated economy. Married veterans, hoping to buy homes with VA-guaranteed loans, keep running into high interest rates, if not an actual shortage of mortgage money in some areas.

Since 1964, some 4,750,000 servicemen of the Vietnam war period have returned to civilian life.

Biggest problem of all for the returning GI's is finding a job. The Labor Department reports that more than 320,000 veterans are out of work. Many are on welfare rolls. In the 20–24 age bracket, the unemployment rate is 12.4 per cent, compared with a national rate of 5.8 per cent. Among black veterans, and the disabled, the unemployment rate is estimated at 25 per cent or higher.

"One of the most unfair, unjust and unacceptable things occurring in our society at the present time," says Senator Alan Cranston (Dem.), of California, "is that the veterans of the Vietnam war, who have gone there willingly or not very willingly, and who have risked their lives and limbs, are coming back to this country and facing an unemployment problem that is directly related to the very war that they have been called upon to fight." Mr. Cranston was chairman of a Senate subcommittee which investigated the plight of Vietnam veterans.

Not only the Government but the general public is accused of forgetting about the veterans and their problems. Senator Cranston's committee was told that a climate of "ignorance, apathy and indifference" prevails in the country. Organizations attempting to help veterans were described as "trying to respond to problems they do not understand."

There is also a theory that many Americans are "afraid" of the returning GI's and what is thought of as their potential for violence—although there is little evidence that veterans have taken part in rioting on the streets or campuses.

Discussing the "fear theory" before Senator Cranston's committee, Dr. Gerald Caplan, professor of psychiatry at Harvard's medical school, said American society is driven by social and racial tensions, polarized by conflicts about law and order, and deeply divided in regard to the merits of the Vietnam war.

"The result of all these factors," Dr. Caplan testified, "has been a less-than-optimal reception for Vietnam veterans among the general public, and a widespread fear that they may unleash their violence on the home front because of resentment about their lot or because they may take sides in a community conflict, and by so doing upset our current precarious equilibrium.

"I have the impression that this fear sometimes leads to a defensive denial that the veterans have significant problems in readjusting to living back home, and this contributes to a lack of public initiative in providing services to help them deal with the transition, which in turn exacerbates their situation and increases their resentful hostility."

Coping with veterans of the Vietnam era will not be easy, Dr. Caplan warned. He explained:

"It appears that a significant proportion of Vietnam veterans, especially those who were extensively involved in active combat, have serious problems in readjusting to civilian life.

"These problems may last up to two or more years, and are manifested by job instability, difficulties in relating to other people, depression, social alienation, anger and resentment, emotional irritability, poor control over aggression, and alcoholism and drug addiction."

NO OPEN DOORS

Personal stories of veterans emphasize the disappointment and confusion they feel when they do come home.

"To me, I thought this was going to be easy to get a job, simply because I was a Vietnam veteran," said Oliver Jefferson, who served almost four years in the Navy. "Also I was under the impression that, being a veteran, doors would be opened up to me. Much to my surprise, I found this untrue. Still, day after day, I roamed the streets of Washington, D.C., going to every agency that deals with veterans and accomplishing nothing except for obtaining pamphlets advising me of my GI benefits, which I already knew about."

It took him five months to find work.

Another veteran, Meldon Hollis, 25, said he was "one of the lucky people," getting a job as an admissions counselor at the University of Maryland only five weeks after his discharge from the Army. He added:

"I am not at all convinced that we are taking care of returning veterans, and the fact that people walk into my office every day and ask me elementary questions about veterans' benefits reinforces my opinion."

Mr. Hollis said most veterans "felt that they had gone to combat to protect a nation, to protect a way of life, and they were very confused when they returned that no one seemed to be here to welcome them or to say, 'Well done.' "

Richard C. Janvrin of Seabrook, N.H., Army veteran, got back home last December and hasn't been able to find a job yet. "I got one offer starting eight months from now, but how can I support a wife and two kids until then?" he asked. "So I'm just helping out at the gas station until something turns up. This summer, I'll be doing some hot-topping. That's laying asphalt on sidewalks and driveways. And I buy and sell used cars."

Winston M. Anderson, 25, of Washington, said he thinks he has adjusted to civilian life better than some of his friends because he got a job soon after coming out of service. "But when I first got out," he added, "I felt I should have some preference for jobs because of the hell I had gone through overseas. I felt people didn't give a damn, though, about what I thought or what I did. Being a veteran just doesn't matter to the people here who didn't have to go to Vietnam."

HELP ON THE WAY?

Against this background of disillusionment and often despair, plans are taking shape in Congress and elsewhere to do better by the returning GI.

One proposal under consideration is a GI re-employment act that would widen work opportunities for veterans. "It seems to me we must consider whether or not our Government has a special obligation to provide employment," said Senator Cranston. "If the private economy cannot through some form of public service provide employment for veterans who cannot find jobs, the Government should."

Lavell Merritt, director of veterans' affairs for the Washington, D.C., Urban League, told the Cranston committee that "clearly Government has responsibility to be the employer of last resort."

"If we need to bring back the Civilian Conservation Corps or its equivalent, then we implore you to do just that," Mr. Merritt told Congress. "We cannot wait until unemployment reaches the 1 million figure, because in our judgment unemployment of disadvantaged veterans and other citizens at that level would be an invitation to violent revolution."

The U.S. Senate has just created a new Committee on Veterans' Affairs, under the chairmanship of Senator Vance Hartke (Dem.), of Indiana, which will devote its full time to solving the problems of the returning GI.

From the White House, President Nixon has launched a Jobs for Veterans program led by James T. Oates, Jr., retired head of the Equitable Life Insurance Company. Mr. Oates's group is charged with:

Making the nation aware of the veterans' plight.

Getting full use out of existing job programs.

Stimulating local groups to find work for veterans.

Encouraging all employers to give veterans a break.

"Through these and related efforts, we hope to change the present climate of ignorance, apathy and indifference toward the returning veteran," Mr. Oates said. "What we seek is a true national commitment to insure that the returning serviceman will enjoy over the long term a full, fair shake in the employment market."

A NEW "HEALING" METHOD

Another idea being looked at by Congress is that of a sort of psychosocial "decompression" process to prepare combat soldiers for their return to civilian life.

Murray Polner, associate professor of history at Suffolk Community College in Selden, N.Y., who has written a book about the problems of Vietnam veterans, said:

"It will require more than sporadic efforts, more than new VA programs, more than perhaps most of us can now suggest, to quicken their healing process. But it is something that must be done."

To stress the need for a "decompression" program, Dr. Charles Levy, lecturer in sociology at Harvard medical school, quoted one veteran he had interviewed.

"When we go into boot camp they take away our identity completely," this veteran said. "They tear us down to nothing and build us up. And I guess in the Army, Vietnam tears you down to nothing and builds you up. But it's going to take a complete tearing down again and making you a person."

Dr. Levy told the Cranston committee there is "an overwhelming need" for a boot camp in reverse, something that will help the men undergo what might be called "de-Vietnamization."

"One way of doing this would be for American troops in Vietnam to engage in a public-works and environmental program there before returning to the United States," he suggested. "This program would be no less ambitious than the one that created the need for it. Through rebuilding homes and reforestation, they will be helping to restore both Vietnam and themselves."

In the works is a concerted attack on the problem of widespread drug addiction among Vietnam veterans. The VA is opening up five drug-treatment centers and will establish 20 more in the fiscal year that begins on July 1.

Meanwhile, the VA is spending about 10 billion dollars a year to improve the lot of almost 28 million veterans of all wars. About 90,000 are being treated in VA or non-VA hospitals. Eighteen thousand disabled veterans are being given vocational rehabilitation training, and 3,192,174 are being paid disability compensation or pensions.

RECORD ENROLLMENT

VA officials estimate that GI-bill enrollments in colleges and trade schools this spring will be 1,090,000, a new high for the program.

Other benefits include on-the-job training allowances, flight and co-operative-farm training, and special educational aid for widows and orphans.

Although finding employment for veterans is not the primary responsibility of VA, it has promoted 14 Veterans Job Marts around the country since July, 1969, and succeeded in getting 2,862 men hired. By its 41 Assistance Centers, VA has obtained jobs for more than 32,000 veterans.

Donald E. Johnson, Administrator of Veterans Affairs, said VA has tried harder for Vietnam veterans because it recognizes that they "have not had the support of unity on the home front that has characterized our earlier wars, and they seldom return to a hero's welcome."

A few States are beginning to give veterans a financial boost with bonuses ranging upward from $10 for every month of service in Southeast Asia. Connecticut, Illinois, Massachusetts, New Mexico, Pennsylvania, South Dakota and Vermont are among the States now paying bonuses.

These efforts by federal and State government, and by private groups, are helping thousands of veterans to pick up the threads of their civilian lives. Evidence is growing, however, that more needs to be done if Vietnam veterans are to be made to feel that the nation that sent them to war has not forgotten them.

H.R. 7833

A bill to provide increased unemployment compensation benefits for Vietnam era veterans

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Vietnam Era Veterans' Supplementary Unemployment Compensation Act".

SEC. 2. SUPPLEMENTARY COMPENSATION FOR VIETNAM ERA VETERANS UNDER STATE AGREEMENTS.—(a) The Secreatry is authorized on behalf of the United States to enter into an agreement with any State or State agency under which the State agency (1) will make, as agent of the United States, payments of supplementary unemployment compensation to any Vietnam era veteran in such State in accordance with the provisions of this Act, and (2) will otherwise cooperate with the Secretary, and with other State agencies, in making payments of supplementary unemployment compensation under this Act.

(b) Any such agreement shall provide that any determination by a State agency with respect to entitlement to supplementary unemployment compensation pursuant to an agreement under this section shall be made in accordance with the State unemployment compensation law and shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law.

(c) Each agreement shall provide the terms and conditions upon which it may be amended or terminated.

SEC. 3. UNEMPLOYMENT COMPENSATION IN ABSENCE OF STATE AGREEMENTS.—(a) In the case of a Vietnam era veteran who is in a State which has no agreement under this Act with the Secretary, the Secretary, in accordance with regulations prescribed by him, shall, upon the filing by such veteran of a claim for supplementary unemployment compensation under this Act, make payments of supplementary unemployment compensation to him in the same amounts and for the same periods as provided for in this Act. Any determination by the Secretary with respect to entitlement to supplementary unemployment compensation under this subsection shall be made in accordance with the State unemployment compensation law of the State where the veteran is.

(b) In the case of a Vietnam era veteran who is in the Virgin Islands, the Secretary, in accordance with regulations prescribed by him, shall, upon the filing by such veteran of a claim for supplementary unemployment compensation under this subsection, make payments of supplementary unemployment compensation to him in the same amounts and for the same period as provided for in this Act. Any determination by the Secretary with respect to entitlement to unemployment compensation under this subsection shall be made in accordance with the unemployment compensation law of the District of Columbia insofar as such law is applicable.

(c) Any Vietnam era veteran whose claim for unemployment compensation under subsection (a) or (b) of this section has been denied shall be entitled to a fair hearing in accordance with regulations prescribed by the Secretary. Any final determination by the Secretary with respect to entitlement to supplementary unemployment compensation under this section shall be subject to review by the courts in the same manner and to the extent as is provided in section 405(g) of title 42, United States Code, with respect to final decisions of the Secretary of Health, Education, and Welfare under subchapter II of such title.

(d) The Secretary may utilize for the purposes of this section the personnel and facilities of the agency in the Virgin Islands cooperating with the United States Employment Service under chapter 4B of title 29, United States Code. For the purpose of payments made to any such agency under such chapter, the furnishing of such personnel and facilities shall be deemed to be a part of the administration of the public employment office of such agency.

SEC. 4. PAYMENTS TO STATES.—Each State shall be entitled to be paid by the United States an amount equal to payments of supplementary unemployment compensation made by such State under and in accordance with an agreement under this Act, and such payments shall be made subject to the same conditions and limitations which apply with respect to payments to States for compensation under section 8505(b) through (h) of title 5, United States Code.

SEC. 5. INFORMATION.—(a) All Federal departments and agencies shall make available to State agencies which have agreements under this Act or to the Secretary, as the case may be, such information with respect to military service of any Vietnam era veteran as the Secretary may find practicable and necessary for the determination of such veteran's entitlement to supplementary unemployment compensation under this Act.

(b) Each State agency shall furnish to the

Secretary such information as the Secretary may find necessary or appropriate in carrying out the provisions of this Act, and such information shall be deemed reports required by the Secretary for the purposes of paragraph (6) of subsection (a) of section 503 of title 42, United States Code.

SEC. 6. FALSE STATEMENTS AND MISREPRESENTATIONS.—(a) If a State agency, the Secretary of Labor, or a court of competent jurisdiction finds that an individual—

(1) knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact; and

(2) as a result of that action has received an amount as supplementary unemployment compensation under this Act to which he was not entitled;

the individual shall repay the amount to the State agency or the Secretary. Instead of requiring repayment under this subsection, the State agency or the Secretary may recover the amount by deductions from supplementary unemployment compensation payable to the individual under this Act during a 2-year period after the date of the finding. A finding by a State agency or the Secretary may be made only after an opportunity for a fair hearing, subject to such review as may be appropriate under section 2(b) of this Act.

(b) An amount repaid under subsection (a) of this section shall be—

(1) deposited in the fund from which payment was made, if the repayment was to a State agency; or

(2) returned to the Treasury of the United States and credited to the current applicable appropriation, fund, or account from which payment was made, if the repayment was to the Secretary.

SEC. 7. REGULATIONS.—The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act. The Secretary shall, insofar as practicable, consult with representatives of the State agencies before prescribing any rules or regulations which may affect the performance by such agencies of functions pursuant to agreements under this Act.

SEC. 8. NONDUPLICATION OF BENEFITS.—(a) Notwithstanding any other provision of this Act, no payment shall be made under any agreement under this Act, or, in the absence of such an agreement, by the Secretary under this Act to a Vietnam era veteran—

(1) for any week or any part of a week he is eligible (or would be eligible except for the provisions of this Act or except for any action taken by such veteran under this Act) to receive unemployment benefits at a rate equal to or in excess of $75 per week under any Federal or State unemployment compensation law; or

(2) for any period in which he receives a subsistence allowance under chapter 31, or an educational assistance allowance under chapter 35, of title 38, United States Code.

SEC. 9. EFFECTIVE PERIOD.—Supplementary unemployment compensation may be paid pursuant to this Act for weeks of unemployment commencing on or after the sixtieth day after the date of the enactment of this Act, but no such compensation may be paid to any Vietnam era veteran for any week beginning on a date which is more than (1) three year after the sixtieth day after such date of enactment, or (2) three years after the date on which such veteran is discharged or released from active duty if such discharge or release occurs after such sixtieth day. No benefit may be paid under this Act after a date which is three years after the date on which the Vietnam era is terminated pursuant to section 101(29) of title 38, United States Code.

SEC. 10. DEFINITIONS.—As used in this Act—

(1) The term "Secretary" means the Secretary of Labor of the United States.

(2) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

(3) The term "State agency" means the agency of the State which administers its State unemployment compensation law.

(4) The term "State unemployment compensation law" means the unemployment compensation law of the State, approved by the Secretary under section 3304 of the Internal Revenue Code of 1954.

(5) The term "supplementary unemployment compensation" means cash benefits payable to Vietnam era veterans with respect to their unemployment in an amount necessary to increase the weekly benefit to which any such veteran is entitled under any State unemployment compensation law (including compensation payable pursuant to chapter 85 of title 5, United States Code, and extended compensation payable pursuant to the Federal-State Extended Unemployment Compensation Act of 1970) to a rate of $75 per week for a total of 52 weeks.

(6) The term "Vietnam era veteran" means a person who is a veteran within the meaning of section 101(2) of title 38, United States Code, who served on continuous active duty for 90 days or more during the Vietnam era as defined in section 101(29) of such title.

(7) The term "week" means a week as defined in the applicable State law.

Mr. EDWARDS of California. Mr. Speaker, today I join the gentleman from New York in pointing out the unemployment difficulties of our veterans from Vietnam. These returning servicemen are truly the forgotten men of the 1970's. While efforts were made after previous American wars to provide assistance for war veterans, benefits for GI's from Vietnam are embarrassingly low.

The Vietnam veteran is faced with an unemployment problem that dwarfs our national average. Black veterans are hit the hardest with an unemployment rate that is twice that of their white counterparts; and the problem is compounded for the disabled.

While these men were serving their country in Vietnam, their peers have been attaining skills that give them a decisive edge in the job market. At a time when jobs are scarce and employers are further influenced by public opinion against the war, we must make further provisions to help veterans with their unemployment problems.

Mr. Speaker, the Vietnam Veterans Supplemental Unemployment Compensation Act, as proposed by the gentleman from New York (Mr. BINGHAM), would provide national standards of unemployment insurance for these veterans during the time they need to enter the job market, and I support him on this issue.

Mr. MIKVA. Mr. Speaker, I wish to commend my colleague from New York (Mr. BINGHAM) for his efforts on behalf of the veterans of the Vietnam war. These soldiers who have been dragged into the morass of Vietnam should not be made to pay for the errors of the leaders who sent them. Yet that is exactly what is occurring. There are few fates worse than that of the Vietnam returnee. Having survived a brutal, shattering 12-month tour of duty, he returns to the superficial serenity of the United States, only to find that inflation, unemployment, and the unpopularity of the war make him personna non grata. The vet all to often ends up embittered, angry, and out of work.

Unlike his counterpart of World War II and the Korean conflict, the returning Vietnam veteran is injected into a surplus labor force. The Department of Labor estimates that close to 130,000 veterans are presently drawing unemployment. This figure does not take into account the numerous veterans who have exhausted their unemployment benefits and are still unable to find jobs. The ultimate solution can only be an expanding economy, sufficient to provide jobs for all who want to work. But in the absence of such a situation, we can at least tide these brave Americans over. Congressman BINGHAM's proposal would do just that, increasing benefits from the present $52.15 a week to $75, and extending the duration of the benefits to 52 weeks. I urge all of my colleagues to support this measure.

There is another road open to the returning soldier, however. Instead of trying to find a job, he can go back to school and resume his education. The GI bill was intended to encourage veterans to complete their education, but the present benefit level is so far out of line with costs as to discourage returning to school. The post-Korea veteran who was a full-time student during the 1950's, unmarried and without dependents, received a monthly benefit of $110. The corresponding Vietnam returnee receives a benefit of $175—a 59-percent increase. And yet since 1958, the cost of going to college has more than doubled. Tuition at Syracuse University, for example, rose 111 percent from 1958 to 1968. At Stanford it rose 136 percent. Even such traditionally low-cost, State-supported schools as Alabama and Arizona underwent tuition increases of 94 percent and 236 percent respectively. A study undertaken by the U.S. Office of Education has predicted that college tuition costs will rise further by 30 percent for the period through 1976. Clearly the recent mediocre increases in veteran educational assistance are not sufficient to cover the costs of higher education. Something must be done to make educational improvement a practical alternative for the returning GI. I intend to introduce legislation soon to accomplish this end.

We have sent thousands of our young men thousands of miles away from home to fight in a tragic and futile war. There is no justification for our failure to provide them with meaningful opportunities upon their return, whether in a factory or a university. As a body that played a substantial role in sending them to Vietnam, the Congress also has the responsibility of providing for these young men upon their return. Legislation such as that proposed today by my colleague from New York is the least we must do in discharging that responsibility.

Mr. DRINAN. Mr. Speaker, I am pleased to cosponsor legislation introduced by the distinguished gentleman from New York (Mr. BINGHAM) with respect to benefits for unemployed veterans of the Indochina war.

These courageous men, Mr. Speaker, have been "caught right in the middle"—

subject to sustained and extreme personal risks on the battlefield and here at home. They often bear the physical, psychological, and, all to frequently, the economic scars resulting from service to their country. The incidence of unemployment among veterans of that war, compounded by the sagging economy which plagues us, has been shockingly high. The sad fact that many of our military personnel return from their tours of duty in Vietnam, having been subjected to every conceivable discomfort and dislocation of their lives, only to find joblessness at home, is one which should cause every American profound guilt.

Mr. Speaker, it seems only fair that benefits comparable to those granted to veterans of other wars, including the Korean war, be made available to these men. The proposed legislation would guarantee an unemployed veteran a benefit of $75 per week for up to 52 weeks. The veteran would be required to meet established State criteria with respect to availability for work.

Mr. Speaker, I fully subscribe to the view that our opposition to the continuation of this tragic war must in no way diminish our great respect for those who joined the Armed Forces when called, and who must return to a civilian economy beset with rising prices and high unemployment. To these brave men we owe, at the very least, passage of the proposed legislation.

Mrs. GRASSO. Mr. Speaker, it is a pleasure for me to participate in this special order and join my colleague, JONATHAN BINGHAM, in the introduction of legislation to provide Federal support for extended veterans' benefits.

Thousands of veterans are returning from Vietnam with no prospect of immediate employment. In past times, the returning veteran was not only the recipient of broad educational benefits such as the GI bill enacted after World War II, but he also entered an economy bursting with pent-up demand for consumer goods—an economy that could readily absorb many of their numbers in the labor force.

Today, veterans are returning from this dismal war in Southeast Asia only to find an equally dismal economy. Thousands of these men have exhausted their meager unemployment benefits and are still without jobs. I fully support the measure which was introduced today to guarantee an unemployed veteran a benefit of $75 per week for up to 52 weeks. I view this measure as a companion piece to the legislation I introduced earlier this week which will extend the Federal unemployment compensation program to 52 weeks, with special provisions for full Federal financing of the final 13-week period. As I pointed out in my remarks when introducing this bill, the jobless rate is not diminishing, and the number of unemployed workers who have exhausted their compensation benefits is steadily increasing. Unfortunately, no attempt has been made by the Government to keep accurate statistics on the number of persons who have exhausted their benefits and are still out of work, but the available figures indicate this group is growing. If it is growing within the regular civilian work force, it is clear that the situation is even more pressing among the returning veterans.

Of course, we must view the extension of unemployment compensation as an interim measure. Strong emphasis must be placed on securing meaningful employment for these men. While some returnees will be able to resume careers that were merely interrupted by military service, and some will be able to utilize service-taught skills in civilian occupations, the overwhelming majority are poorly equipped to compete for jobs in today's specialized work force. Through no fault of their own, they have few marketable skills. About one in five has less than a high school education. More than one in 10 is a member of a minority group. Many will be returning to urban centers where unemployment rates are already extremely high.

Adequate programs must be developed to insure full and meaningful employment for our returning veterans. In the meantime, however, quick action should be taken on the veterans' unemployment benefit compensation bill introduced today.

Mr. McCORMACK. Mr. Speaker, I welcome the opportunity of joining the gentleman from New York (Mr. BINGHAM) and others of our colleagues today to discuss the need for aiding discharged veterans of the Vietnam war—those who have performed their duty to themselves and their country, and are now, or will be in the near future, faced with the task of adjusting to civilian life.

Many are returning to school, and I hope more will take advantage of the educational benefits made available to them under the amended GI bill of rights.

Many others, however, want to return to civilian pursuits, and they are returning to the job market at a most inopportune time. Unemployment is high in most parts of our Nation. In my own State of Washington the rate is double and more the national average in many cities and towns. In the fourth district, every major city has unusually high unemployment.

There is little justice in asking these men to bear the burdens of war, then welcome them home to carry the yoke of unemployment. How can we ask these young people, whose education and professional careers were interrupted by military service, to be a part of the administration's "planned unemployment?" I say we cannot, in conscience, conscript these people into the fight against inflation by making them part of the highest unemployment rate in nearly a decade.

If national unemployment statistics hold true in my State, the rate for veterans, and particularly veterans who are members of minority groups, must truly be frightening. While the national rate is about 6 percent, for veterans between the ages of 20 and 29, according to the Department of Labor, the national unemployment rate is 10.8 percent—for those in the 20 to 24 age group it is 14.6 percent.

I am confident that the Congress will not permit returning veterans to wind up on welfare, and I commend the other sponsors of this legislation for coming forward with this bill at this time.

Mr. ESCH. Mr. Speaker, a cursory knowledge of American history tells one that America has never hesitated to do everything possible to help a returning veteran adjust to civilian life. Yet, for the veteran of the Vietnam war, there definitely is a departure from this norm.

Coming out of the military at the rate of 1 million annually, today's veteran, eager to find a job, often encounters only a cool reception at the personnel desk. Mustering out is really quite different than in the past, and is very likely the first chapter in a seemingly endless story resulting in apathy, indifference, and resentment.

Labor statistics clearly indicate the extent of this dilemma: 320,000 Vietnam veterans are without jobs. Many are on welfare and their rate of unemployment is double the national average—12.4 percent—and for black and disabled veterans, the unemployment figure approaches 25 percent. One Labor Department official recently commented:

> We have a lot of angry young men on our hands.

Civilian life is no mere bad dream for these young men.

Part of the difficulty is that today's veteran is younger and not as well trained as his predecessor of World War II or even Korea veterans. When these men were released from active duty, more often than not they had a comfortable niche in life to settle back into—such is not the case for the Vietnam veteran.

With that background, I feel it is both incumbent and imperative that we do an even more effective job than before.

Several proper and meaningful actions have been taken, but they are only a glimmer of what needs to be done. For example, the Veterans' Administration has initiated "job marts" around the country and has offered similar assistance through their other offices.

President Nixon has recently launched a jobs for veterans program. It is charged specifically with educating the general public to the seriousness of the veterans plight and encourage potential employers to give veterans a better break.

In the past week, I have taken two steps which I believe will be of significant help in aiding these young men. First, I have written language which has become part of the major public service employment bill just reported out of the House Labor and Public Welfare Committee. My amendment will guarantee that a Vietnam veteran will receive special preference in public service employment programs and related training and manpower training programs. These programs would be coordinated with current veterans counseling services and with private organizations and groups at the State and local level.

A second initiative I have undertaken is to join my colleague, the gentleman from New York (Mr. BINGHAM), in cosponsoring a bill that would guarantee an unemployed veteran a $75 weekly benefit for up to 52 weeks. It is similar to the GI bills enacted after the Korean war. Presently, the average weekly benefit is slightly over $50, but many veterans all too quickly reach the point where they draw their last check, and vast numbers

of them are still without jobs and without hope.

Many of the Vietnam veterans with whom I have spoken emphasized the need for vocational and educational assistance to help them find their place in peacetime society. We have an obligation to make certain these boys we have sent to fight what has been referred to as the loneliest war in our history are given every opportunity to piece together a promising civilian life. To do less only makes a mockery out of those words: Welcome home soldier—the United States is proud of you.

Mr. BEGICH. Mr. Speaker, it gives me great pride to join with the distinguished gentleman from New York (Mr. BINGHAM) and a number of other colleagues in the introduction of a bill which will do so much good for the returning Vietnam veterans. This bill, which provides a range of unemployment benefits for Vietnam veterans much like the benefits provided for veterans of World War II and the Korean war, is a long overdue compensation for the men who had such an important period in their lives preempted by the Southeast Asia conflict.

The penalties for wartime service abroad by members of the American Armed Forces seem never to have been so great as for those men who have served in Vietnam. In article after article a story emerges of hardships veterans face as they seek employment following a return from military duty. At the present time, over 300,000 veterans are out of work, and the situation appears to be getting worse.

I find it unconscienable that this situation is allowed to continue unremedied. The legislation thoughtfully prepared by Mr. BINGHAM is but one of a number of necessary steps in the process of solution. Essentially, this legislation introduced today addresses itself to the immediate solution needed by unemployed veterans by offering Federal assistance in the provision of unemployment benefits. It recognizes the sad truth that the period of unemployment for returning veterans is longer than that for other citizens.

In coming weeks legislation will be considered which goes to the heart of the unemployment crisis for all citizens—the problem of the inadequate number of jobs. In addition, legislation is necessary to assist the personal readjustment period faced by all returning veterans, such assistance to include useful counseling and employment assistance services.

I am sorry that I am unable at this specific time to inform you, Mr. Speaker, of the specific situation in Alaska regarding veteran unemployment and I shall attempt to produce those figures in the near future. If the general unemployment crisis in Alaska is an indication, the job-seeking veteran in Alaska is in an unfortunate position.

I commend this legislation to your attention, and would hope it provides the first in a series of measures to benefit our returning Vietnam veterans.

GENERAL LEAVE TO EXTEND

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days during which to extend their remarks on the subject of my special order of today.

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

There was no objection.

AMERICANS OF ARMENIAN ANCESTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 10 minutes.

(Mr. DANIELSON asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, I should like to point out that I represent a district in California in which I have the honor of serving a very large number of Americans of Armenian ancestry among my constituents.

Mr. Speaker, as the world well knows, 56 years ago the Armenian nation was subjected to the first great genocide of this pathetic century. It is estimated that from one-third to one-half of all the Armenians who lived in the Middle East were then massacred.

Many of those who escaped, and who survived, came to the United States where in the following 56 years they have served to enrich our society, to add to our culture, to improve our economy, and to be exemplary American citizens.

It is customary during April of each year that on the Sunday nearest to April 24 there be a commemoration in the city of Montebello, Calif., at which the Armenian community gathers to commemorate, with due reverence and respect, those hundreds of thousands of their ancestors who were massacred, and to rededicate themselves to the principles for which this great country of ours stands.

I happen today to be wearing a lapel pin of the Armenian Martyrs Memorial, which represents the beautiful monument which the Armenian community has built from its own individual contributions on a hillside in a public park in Montebello. Each year we meet at the foot of that monument to pay our respects to the past, and our dedication to the future.

It has been our privilege during the past few years to have in attendance and as participants in these ceremonies various Members of this Congress, Governors of California, judges of the courts of California, Cabinet officials, county officials, the clergy, and many distinguished citizens. Along with that ceremony we are ordinarily favored by having the participation of some unit of our military services, the Army, the Navy, and the like. This year the little group which organized the ceremony sought and received the promise of the U.S. Marine Corps that a U.S. Marine Corps color guard would present the colors, and that a detail from the U.S. Marine Corps Band at El Toro would attend to play the Star-Spangled Banner. Invitations were issued, programs were printed advertising the event, and I am happy and proud to say that I was selected to give the address of the day.

You can imagine my surprise and disappointment when last Thursday, just 3 days before the event, I received a telephone call from my district telling me that the Marine Corps had just notified them that they had been instructed by the State Department that they could not participate because there might be some danger of a demonstration.

Mr. Speaker, I was not only offended, but my anger reached a point where I still have not calmed down—and I do not intend to for some time to come.

I checked with the Marine Corps. I asked them:

> How come you called off the Marine Corps Color Guard? There are Armenians who have won the Congressional Medal of Honor.

I was told—and please listen to this, Mr. Speaker:

> Well, it is possible that the President may be coming out to San Clemente, to the Western White House, and the band is going to have to rehearse.

Now, if I ever heard a false, weak, and palpably contrived excuse, that is it. Anybody who has ever played a band instrument of any kind knows that the more you play it the better you get.

So I checked further, and finally I reached a responsible official of the Marine Corps who told me that they were sorry, they were embarrassed, and they were ready, willing and able to play, but that the Department of State had instructed them not to.

Then I started at what seemed to me to be the appropriate level in the State Department, and sure enough, I was told:

> Yes, we are sorry we made that decision so quickly, but we made it because we are fearful there may be demonstrations, and that a certain other nation might resent it.

So I followed on up the line, I can assure you, Mr. Speaker, until I got to the top official of the State Department, Mr. William Rogers. Mr. Rogers affirmed this mistaken decision to deny to the Armenian-American community in California the right to have a U.S. Marine Corps Color Guard to escort the Stars and Stripes to the podium.

I asked—and I have been informed—that the decision was forwarded to the White House where, I am sorry to say, it was again affirmed.

Last Sunday on April 25, 1971, in Montebello in the Bicknell Park, the 56th annual commemoration of Armenian Martyrs Day was carried out. The incredibly bad judgment of the State Department did not deny to those Americans the chance to come together and with due reverance to respect their dead and to rededicate themselves to good American principles.

The only thing we really feel bad about is that these people, who have contributed so much to our country, were denied the privilege of having the American flag escorted to the podium by the Marine Corps Guard, and so many Armenians have served in that Marine Corps. No one suffered because the American Legion in Montebello provided the escort. I am sorry there was no Marine Corps Band to play the national anthem. We would have liked to have had the Star Spangled

Banner played that day. I am sorry that the Marine Corps Band could not play another selection, America the Beautiful—because somebody was afraid that there might be a demonstration where Americans were exercising their constitutional right of freedom of speech and reverently paying respect to their dead and to their heritage.

Why should the Secretary of State be so callous as to affront the Americans of Armenian descent? Is it because they are so few? Are these peaceful, intelligent, industrious, gentle people politically unimportant?

Mr. Speaker, I will append a copy of the program for Armenian Martyrs Day, 1971. Can anyone tell me that this is offensive to anyone?

I shall also append, Mr. Speaker, a copy of the address that I gave that day, and I challenge anyone, be he in the State Department or any other place, to show me something in that speech which could be offensive to any other American or to any other human being.

The material follows:

ARMENIAN MARTYRS DAY—56TH ANNUAL COMMEMORATION

MONTEBELLO, CALIF.,
April 25, 1971.

Hon. Harry C. Shepherd, Mayor, Hon. William Nighswonger, Mayor Pro-tem, Montebello City Councilmen: David H. Zimmer; Richard Tafoya; Andrew T. Lambo.

Sponsored by: Armenian Monument Council, Inc., 2428 West Whittier Boulevard, Montebello, California 90640.

PROGRAM

Presentation of Colors: United States Marine Corps Color Guard.

National Anthem: United States Marine Corps Band.

Invocation: Very Rev. Clement Morian, Pastor, Queen of Martyrs, Armenian Catholic Church.

Master of Ceremonies: George Mandossian, Armenian Monument Council.

Address: Hon. George E. Danielson, U.S. Congressman from California.

Musical Interlude: United States Marine Corps Band.

Proclamation.

Address: Hon. John A. Arguelles, Superior Court Judge.

Recitation: Helen Der-Boghossian.

Address: Gourgen Assaturian, Washington, D.C.

Presentation: Mr. Michael Minassian, President, Armenian Monument Council.

Benediction: Very Rev. Dirayr Dervishian, Locum Tenens, Armenian Diocese.

ARMENIAN MARTYRS DAY

(Speech by Congressman GEORGE E. DANIELSON)

Thank you, Mr. Master of Ceremonies, Father Morian, Reverend Clergy, Judge Arguelles, distinguished guests, my fellow Armenians and friends.

It is a real honor for me to be with you here today to participate in the commemoration of one of the great tragedies of our past, and to speak of the heroic history of the Armenian people, which serves as a great inspiration for our future.

It is said that the great French statesman, Talleyrand, when asked what he had done during the stormy years of the French Revolution and the Napoleonic Wars, replied, simply, "I survived." I wonder if those words might not be spoken with even more truth by the Armenian people, of their long, tragic, glorious history: We survived—survived attempted genocide, survived massacres, survived wars and rumors of war—survived, indeed, to bear witness wherever Armenians have gone, in lands beyond the seas, to the power of faith, courage, and heroic will.

Our gathering here today marks our solemn commemoration of those who perished half a century ago in the terrible holocaust which engulfed the Armenian people within the borders of the Ottoman Empire. That we are here this day is itself evidence of the fact of Armenian survival, survival in the face of the first attempt at genocide—the deliberate destruction of a whole people—in this century. Yet the greatness of the Armenian story is more than that of survival—it is survival to a purpose. It is the ongoing life of a great community, united by bonds which could not, can not, and—God willing—shall not be destroyed. In his autobiography, Yousuf Karsh, the great Armenian photographer, born 63 years ago in the little town of Mardin in Asiatic Turkey, tells the story of his childhood as an Armenian child in a Turkish community. As a youth he lived through the massacres, and in 1922 escaped to the safety of the new world, as so many others had. Recalling the suffering of his early days, he describes how hostile children in Mardin would take up stones to throw at him as he went to and from school. Tempted to respond in kind, he remembers the words of his mother, whom he describes as "One of the great Christians of our time. . . . A disciple of all that is good." She said these words to him, "It is just ignorance. You must not come down to their level. If you have to cast a stone, be sure to miss." No one can read Yousuf Karsh's life story and that tribute to his mother and to his family without realizing that there was and is a reason for Armenian survival. It is revealed in the character of the people themselves, deepened in suffering, sustained by faith, inspired by hope.

There are many in this assembly who survived those terrible days, many more whose families were touched by them. Here in Montebello the Martyrs' Monument speaks eloquently not only of those who sacrificed their lives but of all men and women who have been the victims of man's inhumanity to man. In honoring the memory of the 1,000 martyrs of April 24, 1915, we honor the memory of over 600,000 who were slain during that time. Of the estimated 1,750,000 Armenians in Turkey at the outbreak of the First World War, about a third were cruelly murdered, and other third deported. Their fate was a grim harbinger of the fate of so many peoples in our troubled century. In remembering them, we remember all people who have suffered from the fires of hatred and intolerance in our time and in every time.

The years of martyrdom have left a lasting impact. They have bound Armenians together throughout the world in a fierce determination to survive—and to survive with a heritage of Christian faith and life which is itself the secret of survival. It is hardly surprising that, although the story of those days will never be wholly known, they have inspired not only Armenians but all men with their record of heroic endurance.

To be sure, suffering was nothing new in Armenian history. Like many other peoples in the world, the Armenians had chosen a bad place to settle—a crossroads, torn between the opposing armies of great powers. We too easily forget how ancient the Armenian nation is. The Armenians are, indeed, the oldest Christian nation: It was in the year 303 A.D. that St. Gregory the Illuminator baptized Tiridates III and laid the foundations of Christian faith in Armenia, building on apostolic tradition. Yet already at that time Armenia was a great kingdom whose influence had extended far and wide in the Middle East. The very fact of Christianization, the source of constant struggle and conflict in later centuries, proved eventually to be the secret of Armenian endurance and survival.

In the 5th century, in a time dominated by such great figures as St. Sahag and St. Mesrob, inventors of the Armenian Alphabet and translators of the Bible and the Liturgy into the Armenian language, the strongly individualistic character and identity of the Armenian people found its unique expression in a flowering of national consciousness, culture and religious idealism. Yet, with all their talents, intelligence, and cultural vitality, the Armenians suffered continual blows from the imperial ambitions of the states around them—Rome, Parthia, Byzantium, Persia, and, finally, the Turks and the Russians. The last semi-independent king of Armenia died in exile in Paris in 1393. Politically speaking, the freedom of God's oldest Christian citadel had come to an end—yet the soul of Armenia survived, even through the terrible massacres of the First World War. In all history there is no more moving, tragic, or inspiring story than that of Armenia. Consider these words, written by a non-Armenian Professor, —"The more we fathom their distant past, the more we begin to realize the constructive and enlightening role played by the Armenians in the world history of civilization."

These words suggest our deeper theme here today—a theme of hope and renewal, of rebirth from the very midst of destruction. In remembering the Armenian martyrs, we are compelled to look forward to a new and better day which their sacrifices have hallowed. It was said of old that "The blood of the martyrs is the seed of the church"; so with the survival of the Armenian people and their great heritage. The story of the Armenian community here in America is a source of pride and hope for Armenians everywhere. Surely it is a part of our commemoration here, for it is a vital part of the ongoing Armenian story. With reverence for the past, with faith in the future, and with reliance on their own efforts, Armenian-Americans are writing a new and hopeful chapter in this nation.

You may not be aware of this, but Armenians came to this continent in British Colonial Days—and have been established as being here as early as 1618 in Virginia—during the time of Captain John Smith. The first Armenian of whom there is a record in America is "Martin Ye Armenian" whose name appears in the log of a ship at Jamestown Colony. "Martin the Armenian" is mentioned in several papers of Colonial Virginia from about 1618 to some time after 1623. Then history breaks off concerning the adventures and activities of this pioneer.

In 1653 we again pick up the history of early Armenians in America when it appears that two Armenians came here from the old country to develop the manufacture of silk in the Colony of Virginia. Armenians were considered expert cultivators of the silkworm, and the two who came here enjoyed a high reputation in their native land for their skill and experience. In December of 1656, the following resolution was passed by the Colonial Assembly of Virginia:

"That George the Armenian, for his encouragement in the trade of silk, and to stay in the country to follow the same, have four thousands pounds of tobacco allowed him by the assembly."

Christopher Der Seropian, a student, came to the United States in 1843 and attended Yale University where he is credited with inaugurating the class book system there. He also developed the black and green colors which even today are used on American paper currency.

Here in California, a man named Seropian arrived in Fresno in the autumn of 1881, as well as a person called "Normart" who came earlier but returned East. The story about Normart is quite interesting, and I'll discuss that in a moment.

The story about Seropian who arrived in Fresno in 1881 starts eleven years earlier when, in early 1870, Hagop, Garabed and Simon Seropian emigrated to the United States with some returning missionaries. They settled in Worcester, Massachusetts. When word came a few years later that their father had died, Garabed and Simon returned to Turkey to settle the estate, and stayed there for 5 years. Hagop remained here and ran a fruit, stationery and notions store in Worcester. Working long hours, he developed lung trouble. It appears that Hagop may have come to California during the mid-1870's, and later sent for his family and friends, telling them that the climate was very beneficial—with watermelons that grew "as large as boats."—and eggplants of 8 to 10 pounds. In any event, Hagop wrote his brothers and asked them to return so they could all come to California. Garabed and Simon, accompanied by their young half-brothers, George and John, once more landed at Ellis Island in 1880 and arrived in Fresno the following year. Simon Seropian died in Fresno in 1923, and in 1945 George Seropian was the only living member of the five Seropian brothers who had established Fresno's Seropian Bros. Packing House.

The Normart story relates to an immigrant who, upon landing in the United States, when asked his name, joyfully and gratefully said—in Armenian—that he was a "Nor Mart", literally a "new man", while he also meant a "new-born, free man." Relatives who later came to Fresno, especially the younger generation, continued to use the name "Nomart" as their surname.

Today there are some 150,000 to 200,000 Armenians in America, including those born in this country. Proportionally, our own State of California has the largest number, but they are to be found throughout the land, engaged in those peaceful pursuits of commerce, industry, farming, learning and the like which disclose the energy and enterprise of a great people. The cities with the largest number of Armenians reveal their geographic distribution: Fresno, New York City, Detroit, Boston, Providence, Philadelphia, Union City (N.Y.), Los Angeles, Watertown (Mass.), Worcester (Mass.), and Chicago—an impressive record when we recall that in 1910 there were only some 25,000 Armenians in the whole country.

Because so many Armenians have distinguished themselves in so many fields, it becomes a challenge to compile an up-to-date and accurate list. To name just a very few: A. H. Bulbulian is the co-inventor of the high altitude oxygen mask, Thomas Corwin was Congressman, Governor of Ohio, U.S. Treasury Secretary and Ambassador to Mexico, Haig Shakerjian was a Brigadier General in the U.S. Army, Lt. Ernest Dervishian won the Congressional Medal of Honor during World War II.

We are living at a time in which the various peoples who comprise America are rediscovering their unique identity and are emphasizing the things in which they may take just pride from their own distinctive heritage. No ethnic group can excel the Armenians in their special contribution and achievement. Indeed, they have set a pattern for all, for (as many scholars have noted) the Armenians have shown a greater adaptability to American society than have most other immigrant groups, largely because they have appreciated the value of education, while at the same time they have managed to retain their ancient ideals and heritage, perhaps because they have learned to cherish self-respect in their identity in the face of cruel persecution for so many centuries. Pride in their past and in the present is one assurance of hope and confidence for the future.

As we here today commemorate the martyrs of 1915—and all victims of oppression and tyranny in history—may we also take fresh hope and new resolve from the survival of the Armenian people and from their continuing story. May it be for us and for our whole Nation a source of inspiration and encouragement that a great people, once driven from their ancestral home, beaten down and broken, were able by the power of faith to rise again with renewed vitality and take their rightful place among the peoples of this Nation and in the world community. "Surely," in the words of the psalmist of old, "Surely, this is the Lord's doing, and it is marvelous in our sight."

NUCLEAR RESEARCH

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

Mr. HOSMER. Mr. Speaker, for purposes of establishing a record I have obtained unanimous consent for the republication below of an item issued by my office on April 22:

STORABLE ELECTRICITY

(NOTE.—Representative Hosmer is the Ranking Minority member of the Joint Committee on Atomic Energy. Set forth in full below is the final section of his April 22, 1971 speech to the Conference on Innovative Applications of Radiation sponsored by the Southern Interstate Nuclear Board at Dallas, Texas. Rep. Hosmer declines to state whether or not his remarks are a "put on" on the grounds that it might tend to encourage or discourage investigation of the subject.)

If you are going to wait for hydrogen fusion to hook into your utility buss bars you are going to wait at least 50 years for power that is neither much cheaper nor much cleaner than any other kind of nuclear power. Nature does not give up her secrets easily and the controlled thermonuclear reaction is one which she has guarded with most remarkable diligence. If we have to charge off on some long and expensive research scheme, let me suggest instead of CTR that we go in hot pursuit of an idea with an infinitely greater potential payoff.

I suggest what we ought to do is find a way to store electricity so it will be around later, when we need it. That, of course, is a crazy idea. You know very well that electricity cannot be stored. But this is a crazy world, too, and before you walk out on me, I hope you will stick around just long enough to give me a chance to plant a doubt. Remember—most Nobel Prizes in the physical sciences have been won by the very young who were too innocent to know that something could not be done, so they went out and did it.

Look at it this way: the principal disadvantage of electricity is that it cannot be stored, except for the small amounts that can be held in batteries and for hydropower, if you want to think of a water reservoir in terms of electricity in storage. If we could somehow store electricity in a tangible form suitable for being bought, sold and transported, the social, political and economic impact of such a scientific breakthrough would be monumental. Electricity manufactured on one continent in one year could be shipped and used on another continent in another year. The production of electricity would be removed from its place of use and the transmission line umbilical cord severed once and forever. A new and unique article of commerce would be brought into being creating an entire new world-wide market worth billions of dollars in cash and credit. Other possibilities boggle the mind.

Just how nutty is this idea? Well, it wasn't too many years ago that the notion that atoms consist of just two kinds of elementary particles, one positive (proton) and one negative (electron), was shot to pieces by the discovery of the neutron (neutral). Today we know there are many more such elementary particles out of which atoms are made and that they really aren't elementary at all, because in their turn they are composed of various subparticles.

The popular theory today is that these subparticles consist of three quarks and three anti-quarks, none of which have yet been discovered. But along has come Dr. P. C. M. Yock of the University of Auckland with a novel theory that there are really 12 subparticles, six subnucleons and six anti-subnucleons.

Dr. Yock says his subnucleons are electrically charged bodies as are the quarks, but that their charges are large multiples of the basic particle charge—that of the electron—whereas quark charges are mere fractions of this basic electron charge.

Yock's contention is that subnucleons possess charges approximately 10, 11, 20, 30, 40 and 41 times the electron charge. Proper combinations of the pluses and minuses of his 12 subnucleons, which are bound together by very strong electromagnetic forces, will get you the smaller charges we observe to be characteristic of the elementary particles.

Now, if you didn't get that—you can look it up later. I was just laying a foundation to emphasize that there may be a lot of vacant space inside atoms where electricity might be stored.

Since 1952 in addition to ordinary atoms and their parts and pieces, whatever they are, we have known of exotic, hydrogen-like atoms. The first to be discovered was a negative PI Meson (Mass 273) (instead of an electron) combined with a proton. We now inventory four additional exotics formed from MU Mesons (Mass 200), negative K Mesons (Mass 966), massive Sigma Minus particles (Mass 2340) and Antiprotons (same mass as protons). And, more than exotics, we are even today seeking to find or manufacture stable transuranium atoms in the range of currently non-existent elements numbered 116, 124 and beyond.

Such heady stuff means you just cannot be stuffy and rigid in your thinking about nucleonic structures and the possibilities for storing within them electron streams (electricity). I hope you are all paying attention because after this lecture there is going to be a quiz on subnucleonic structures.

So listen—if one electron mated with one proton makes a hydrogen atom and if you think of that atom as a container in which just these two elementary particles are being stored—and then if you remember that the mass of a proton is around 1800 times greater than that of an electron—you commence to wonder how good a storage container is this thing with only a one to 1800 efficiency ratio. Could it be made better? My hunch is that it could—and that someday theoretical and experimental work done with the help of the newer and more powerful atom smashers now and soon to become available, by you and some of your colleagues and students just may come up with a nucleonic means to store electricity as an easily transportable solid.

This would, indeed, be an innovative application of radiation—a goal you here seek. Good luck with it—I'm going out for a night cap.

THE WHITE HOUSE CONFERENCE ON YOUTH

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

Mr. SCHWENGEL. Mr. Speaker, it was a privilege for me to have been invited by President Nixon to be a delegate to the White House Conference on Youth.

The Conference was held in Estes Park, Colo., from April 18 to 22.

Let me say at the outset, that participating in the White House Conference on Youth was a stimulating, exciting worthwhile experience.

It is a great credit to the leadership of the Conference and to this administration that an honest attempt was made to have a representative group of young people and adults at the conference. To put it bluntly, the conference was not "stacked", as some people apparently believed it might be.

As a result, every aspect, every facet, every part of any issue affecting today's youth which any of the delegates wanted to discuss was discussed. No one was denied the opportunity to be heard or present their case.

Many of the young people expressed deep feelings on the issues which were discussed. They articulated their thoughts and ideas very well. While occasionally shortsighted, the young people truly had the best interests of their Nation at heart.

The fact that one-third of the 1,500 delegates were adults helped to make sure the generation gap was minimized and narrowed during the conference. The young people respected the adults, asked for their comments and ideas, and were listened to with respect.

The fact that the conference was run with a minimum of disruption is due to the capable leadership of the conference and especially of the national chairman, Stephen Hess.

On December 5, 1969, President Nixon appointed Steve Hess as Chairman of the White House Conference on Children and Youth. He said when making the announcement:

> I have asked Mr. Hess to listen well to the voices of young America—in the universities, on the farms, the assembly lines, the street corners. I have known Steve Hess a long time and I know him to be a good listener.

President Nixon was so right. Steve Hess is a good listener, with a great sense of fairness and a terrific organizer.

He was largely responsible for giving good leadership to two White House Conferences—one for children—the other for youth.

This is the first time in history that a separate White House Conference on Youth has been held. The thousand youth delegates represented a microcosm of American youth. Drawn from every State, all ethnic and racial groups, and from different economic background, they reflected the diversity of youth.

Besides Steve Hess all of his aides were very helpful in the administration and direction of the Conference.

Special tribute must be paid to George Hooper. Like Steve, he was very sensitive to the interests and concerns of people—his tact, his sense of dedication, and his untiring efforts were superb.

Important to the Conference was the outreach program which allowed many young people to have a part in the work of the Conference while not actually serving as delegates. Of crucial importance to the work of the Conference were the efforts of the 10 task forces appointed prior to the Conference meetings.

The advisory task forces provided a point where discussion could begin—a point around which debate could evolve.

It must be made clear, however, that the Conference was in no way limited in its discussions to the task force areas or the reports of the task forces. Any topic, any issue, any idea advanced by any delegate was heard. No effort was made to stifle any initiative or the discussion of any issue.

The Conference held its first plenary session on Sunday, April 18.

I would like to draw the attention of the House to remarks made at this session by the Honorable Elliot Richardson, Secretary of Health, Education, and Welfare, and Steve Hess, conference chairman.

The remarks of both men emphasized the openness of the Conference. Delegates were assured that they would be allowed to speak freely and that they would be heard.

At this point, I place in the RECORD the remarks of Secretary Richardson and Mr. Hess so all Members of the House may read their excellent statements:

REMARKS OF DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE SECRETARY ELLIOT L. RICHARDSON

It is a pleasure to greet you on behalf of the President. This Conference you are holding is not only the first such conference devoted solely to the concerns of youth, but the first conference made up of youth. Such a conference comes at a time of challenge, a challenge to both the Federal government and to citizens. For the government it is a time to make all our institutions, especially those which seem hopelessly remote and mediocre, serve the will of the people. The challenge to us as citizens is to know what can and must be demanded of those institutions; and to know the difference between a demand that man's institutions be perfect and the demand that services long ago promised are finally delivered.

I dare say that at some time each of you has asked yourself: Why this Conference? In large part, this conference is a challenge to you and to the government: a challenge to know what can and should be done and what it will take to do it; and it is an effort, by your government to learn your deepest concerns.

We will listen to your recommendations and you may justly ask what that means. It means more than a quick consignment to the national archives; and it surely must mean more than an initial enthusiasm that dwindles off to apathy and then to nothing.

On May 12 I will meet with my senior advisers at HEW to study with care your recommendations to your Federal government. But this, of course, is only a beginning. To achieve in this society what you as a conference hope for will demand from you a certain kind of conference.

We need from you visions that are visions; not cloudy or vague shadows of the better society. But a dream in focus, sharply etched. We in government can then share that vision, for whether we agree or disagree with it, we can at least comprehend it, and its influence can then work on us as individuals and as a society.

Government in our society or in any society is charged with making visions a reality. It is an imperfect and frustrating process but an inescapable one; and one that can yield along with its many blunders some small improvement in our common lot.

Recommend with passion, but recommend, a course of action which is lucid and tough-minded. Ideas must compete with others; without that competition we would all be subject to someone's uncontested idea; and that, I fear, is the worst tyranny.

Examine our society with honesty but also with compassion. No society, least of all America, can benefit in the slightest from those who gloat over our faults as an act of patriotism; America needs tough critics; but critics who can also see our uniqueness in defining as a common goal what are the ideals of equality and freedom. Throughout its history America has encouraged the bitterest outrage that it has not in fact been ideal. So I ask that you respect at least that boldness which would make the highest ideals the measuring stick by which we judge our country. And now as always we must achieve those ideals. So give us as a conference clear and tough recommendations which can at least get us further as a people.

EXCERPTS OF REMARKS BY STEPHEN HESS, NATIONAL CHAIRMAN, AT THE OPENING SESSION OF THE WHITE HOUSE CONFERENCE ON YOUTH

As one who has dreamed for a long time of bringing together young Americans from all backgrounds, colors, and points-of-view with the decision-makers of our country's institutions, and giving them the opportunity to look into our future and speak to the nation on what it should be, this is a very happy moment.

Welcome to the White House Conference on Youth. Here we are: the first time ever that the government has convened a conference devoted solely to the concerns of young people and at which the vast majority of the participants are themselves young people.

I'm Steve Hess, the Conference Chairman, and I would like to spend a part of this opening session telling you what I think this conference is about and what I think it is capable of accomplishing.

First of all, I should say that this is a terribly *complex* conference. I do not mean complex in terms of logistics and arrangements. I mean complex in terms of participants and topics.

Most conferences, as you know, are made up of the *like-minded*—conferences of doctors or lawyers, conferences of liberals or conservatives. These groups meet either to exchange information or to hammer out resolutions within a fairly narrow spectrum of opinion.

But this conference is made up of participants who are decidedly *un-like minded*.

While it might appear that for two-thirds of the delegates here the common denominator is youth; in fact, what this conference is likely to dramatically illustrate—and what desperately needs to be said—is that the youth population is not monolithic; that all youth are not cut from the same cloth; that you are rich in differences.

Although many of you happen to be of the same generation, you will find when you get to know each other that here are young people from the ghetto and the suburb, the farm and the city; young people who have dropped out or who have had serious drug experiences or who have been in correctional institutions. Then too there are other young people here who have already written best-sellers or been elected to high political office or have made a lot of money. There are here young people who live in communes; others who live in military barracks; still others who live within religious orders. Some have come here from job corps centers and others from college campuses. (151 different colleges are represented here.) Some of you are Vietnam veterans and others are conscientious objectors. There are teenage mothers—both wed and unwed. We are all colors and from all ethnic backgrounds. In short, we are all wonderfully unique.

Now the adults—the other one-third of the delegates. You have been chosen to represent the institutions of our society; business, la-

bor, government, church, education, and so forth.

You were not chosen—I want to stress—because you necessarily agree with youth's views. Some of you come from businesses that many young people consider polluters, governments they consider repressive, unions they consider discriminatory, or educational institutions they consider unresponsive.

Most of the adults were chosen, frankly, because they represent *power;* because they are the type of people who must understand what young people believe if this conference is to move from recommendation to action; if something is going to happen *after* the conference.

I think it speaks well for the adults here, all busy people, that they have willingly and enthusiastically joined in this undertaking. You might be interested to know, for example, that on the Education Task Force alone there are nine college or university presidents and that there are ten judges on the Legal Rights and Justice Task Force. There are 13 members of the United States Congress here, as well as high-ranking members of the Federal Executive, Mayors, State Legislators, City Councilmen.

So this is one reason why this conference is complex. It is complex because we, the participants, are so diverse. The other reason this conference is complex is because we have chosen the *tough* issues, the *controversial* issues.

Too many youth conferences these days, in my opinion, devote themselves to nice questions of pop sociology. Recently a young man from Illinois wrote, "There has been much study on youth from many points of view; sometimes it is almost treated as a disease—or, on the other hand, as a state of ecstacy." Well, I can assure you that this conference is not meant to dissect the pathology of youth. We are here to deal with such questions as war, poverty, environment, racism. True, these are not exclusively youth problems. They are the issues that plague all society. But they are also clearly the issues of greatest concern to young people. To have dealt instead with other issues would have been a cop-out. Therefore, we are here to try to address ourselves to two types of recommendations: 1) can we confront the nation with a blueprint for action for this decade? As specifically as possible, can we decide upon an agenda for social change? and 2) can we confront the major institutions of America with a plan for how young people can have a greater voice in the decisions that affect their lives?

Thus we are building our conference on *diversity* and *controversy.* We hope that the press, who will be initially translating our story for the nation, will not misunderstand this and will not mistake diverstiy for dissension or controversy for contentiousness.

Controversy is not a dirty word. This conference can fail only if we fail to listen to each other. It will not fail simply because we do not agree with each other.

We are here dedicating our energies to the act of conferring. We are clearly not a legislative body; we do not pass laws. Moreover we meet at a time when it is fashionable to say, "What can another conference accomplish; what we need is action." I am not one who automatically accepts this view. I believe we need to confer *and* we need to act. The "What-can-a-conference-accomplish" position implies that we have all the answers, which, of course, we don't. And the answers we do have raise questions; and our new questions suggest new answers. And so we assemble today somewhere in this continuum of questions and answers. And "The awful truth seems to be", as Max Ways has written, "that as knowledge advances ignorance does not diminish. If contemporary man does not learn to live with this paradox he will come to despise both his knowledge and his practical achievements."

This hardly means that we should not act until we have all the answers—for then we would never act. Rather, it means that we must recognize that we must often act on imperfect evidence, while continuing to search for knowledge.

Today we are part of the thought phase. But we must also plan to act. It strikes me that for this conference to generate action there must be four elements present.

First, the conference must be structured for action. That is, people who are capable of taking action should be present (as they are); and then the conference must produce actionable recommendations. It is not enough, for instance, to declare that pollution is unhealthy; we must go on to state as precisely as we can what must be done. (It is significant that two of the task forces have hired consultants who are experts at drafting legislative bills.)

Second, we must be prepared to tell our story. This is why we are making a film of the conference for distribution to schools, organizations, and the media. This is why we will set up a Speaker's Bureau. This is why we are working with groups to hold follow-up meetings, such as the National Conference of Christians and Jews, which has already scheduled three regional meetings to review our recommendations. This is why we are negotiating with paperback publishers, so that hopefully, by next fall hundreds of thousands of reasonably priced editions of our report will be available on newsstands all over the country.

Third, we must try to institutionalize the response to our recommendations. In this regard, the President has requested an appropriation of $304,000 to underwrite follow-up activities of the Children and Youth Conferences and has agreed to a systematic review of our work within the Federal departments. We have also asked two Congressional committees to hold hearings. And every governor has accepted our invitation to send a personal representative to the conference as his observer. None of this, of course, guarantees action; but it is solid evidence that our work will be taken seriously.

And fourth, we as participants in the White House Conference on Youth should make a personal commitment to work to realize the goals of the conference *after* Thursday. The recommendations of this conference will be what the delegates agree to; we cannot expect others to act if we walk away from them.

Finally, as we come to the end of this session, I would like to quote from a remarkable speech by Daniel P. Moynihan in which he recalled the warning of the Swiss historian Jacob Burckardt, who foresaw that the 20th century would be the age of "the great simplifiers" and that "the essence of tyranny would be the denial of complexity." Moynihan called the tendency to oversimplify "the single great temptation of our time" and "the great corrupter." He said that what we need today is not great simplifiers but "great complexifiers."

I must say that what has pleased me most about many of the Task Force Advisory Reports has been the self-denial, the refusal to oversimplify: they did not seek to create their own demonology, to go on an emotional binge of blame-spreading; but rather they have often taken a far-sighted, systematic approach to their subject, an approach which makes those documents such useful launching pads for our discussions this week.

What we are about is very hard work, indeed—for some young delegates it could be intellectually the hardest work of their lives to date. I might predict that by tomorrow afternoon, having realized the enormity of the task, the diversity of opinion, and the shortness of time, many of you may feel very low and depressed. But I might also predict that a little later when you have defined what you can and cannot do, and have begun to thrive on and enjoy your differences, you may find this a very beautiful experience.

Youth will be joined in these deliberations by adults, who, it is hoped, may bring to the discussions experience, facts—and perhaps even wisdom. But if some of these adults choose to grind their own axes—then I think the youth delegates have every right to call them out of order.

On the other hand, I would hope that the adults would not patronize their younger fellow-delegates by deferring to their views when experiences tell them that what is being said is unworkable.

For, of course, the success of this conference can come only out of the blend of adult and youth wanting to share and wanting to build.

I remind you that this conference, your conference, is meant to be not a battlefield, but a meeting ground. You now begin. Good luck.

Mr. Speaker, during the first plenary session, it became evident many of the young people had something on their minds and were anxious to express their concerns.

After the regular program was concluded, some of the young people spoke to all of the delegates. A few sensationalized, but others movingly and sincerely demonstrated their desire to work within the Conference structure to really have an influence to make the changes they were seeking.

News reports exaggerated the feeling of discontent as to the location of the Conference. As might be expected, there were some rumbles, but after the Conference got underway, most people readily admitted the atmosphere at Estes Park was more conducive to sustained hard work without distraction than would have been the case in Washington, D.C., for instance.

Initially, the snowfall at Estes Park seemed to confirm the judgment of those who opposed the site. But the alertness of the leadership in providing parkas and overshoes to delegates gave all of us a sense of community that otherwise might not have developed.

Then as each person got involved in the work of his task force and subcommittees, the tone changed.

The tenor of the meeting became one of determination, of dedication to discuss, debate, and articulate the problems we face as a society.

Obviously, not all delegates agreed with each of the findings and recommendations made by the task forces and adopted by the Conference. This is shown by the close vote on many of the task force recommendations.

It is fair to say, however, that the recommendations of the Conference resulted from hard work and a real sense of dedication.

My work was done primarily in the area of ethics, values, and culture. I took part in the efforts of the Subcommittees on Religion and Political Activity.

What was encouraging to me was the unanimous expression by the young people that they are determined to work within the system to accomplish their goals and aims. In the Political Activity Task Force there was no sympathy for those who advocated the destruction of our system of Government. Yes; some of our shortcomings were discussed, but

in the perspective of what can be done within the system to change it.

The work of the Subcommittee on Religion was also heartening and stimulating. I want to share the draft recommendations made by the subcommittee because I am confident that they will be as encouraging to the other Members of the House as they were to me:

DRAFT RECOMMENDATIONS

(Values, Ethics and Culture Task Force Religion Discussion Group)

In developing its recommendations this Discussion Group identified the following points which outline a general approach to religion and provide a framework for our specific recommendations:

1. The Values, Ethics and Culture Task Force feels that this country's young people firmly support and desire diversity and freedom of religions in the United States and respect for all the religions and cultures of the world's peoples. Youth feels that every person has the right to worship and believe in any transcendent being or beings in any manner not detrimental to others, without fear of suffering in any way whatsoever, be it social, economic, or physical. We believe that a concensus of the most fundamental ethical values is indispensable to a viable society; without this, society becomes fragmented and chaotic, and herein lies a clear and present danger.

2. We believe that religion—which we define as the patterns of thought and the way of life stemming from faith and belief in a transcendent being or beings—tends to nurture, enrich, and strengthen ethical values, and therefore is urgently necessary to social progress and national welfare.

3. We believe a concensus does exist on the ideal level in American society on the deepest fundamentals taught by the great religious traditions known in American life: commitment to human brotherhood, the integrity and dignity of the individual, the fundamental worth and equality of all men, compassion for and a sharing with those in need, and freedom for the individual to work out his self-realization so long as he does not harm others. These values urgently need reawakening, clarification, and strengthening. They must not be lost or undermined in the further development of our crowded and technological society. We call upon religious leaders, decision makers, and every individual to make this ideal concensus a living reality.

4. We believe that youth seeks the following values in religion but too often finds them lacking in our religious institutions and teachings:

Leadership and guidance in coping with the problems youth faces, such as the draft, drugs, destruction of the environment, racism, and a sense of identity.

Relevance of religious teachings to the problems of present day society.

Realism in religious teachings, so as to provide teachings freed of meaningless dogma and credible for the individual in the modern world.

An influence that brings men together instead of separating them; fosters unity and brotherhood instead of division and prejudice.

Action that really offers solutions to our national problems, and a clear sense of national priorities, instead of adherence to outworn parochialism.

5. That the failures and negative influences traceable to religion stem not from the religious values themselves, but from failures to put these teachings into practice, and the hypocrisy that would use them to justify self-interest and prejudice.

6. That too much institutional self-interest is a danger to religion; that religion, in order to retain its integrity, must be thought of not just as an institution but as a spiritual force offering the individual a lasting value structure that will meet his personal needs. These needs include a sense of identity, a sense of worth, a sense of direction, a way of relating to others, and a standard of conduct. Religion must also prove itself as an influence helping to steer our society away from immoral acts and policies, or lack of policies.

II RECOMMENDATIONS

1. We are convinced social programs will be more effective when people are spiritually alive and awake, because spiritual awakeness encourages love for one's neighbor and caring for the disadvantaged. We call upon the religious institutions to foster more vigorously the spiritual health of the people, and to encourage their members to commit themselves and their resources more fully to meeting the total needs of the people.

This Task Force calls upon the President, the Members of Congress, the leaders of religious organizations, decision-makers at all levels in government, business, and education as well as individual citizens to vigorously seek a renewal of compassionate, practical, living religion in American life. This renewal should include a keener respect for individual conscience, a strengthening of the worship of God, and the other forms of religious experiences, and stronger adherence to the original ideals set forth for this nation. It should augment the sense of brotherhood, compassion, equality, and dignity that will harmonize the relations of Americans to each other and restore the quality of American life.

2. The Values, Ethics and Culture Task Force indicts organized religion for it, because it has too often shown a lack of courage to take the leadership in effecting societal change. By its silence it has condoned and is continuing to condone such evils as racism, war, poverty, sexism, and discrimination. Such hypocrisy cannot be supported by the youth of America.

Therefore we, while acknowledging the commitments of individuals and single churches to improve the quality of human life, believe this effort is minimal in view of the vast resources, financial and personnel, of the Religious Bodies.

The Youth of the National White House Conference strongly recommend:

(a) that the American churches seriously rearrange their priorities,

(b) that money not be spent on property and buildings or be kept stagnant; that is invested to provide a continual source of security for churches,

(c) that money be freed up and spent in programs which benefit the poor of the U.S. and especially minority groups.

(d) that money which is invested should be invested responsibly in companies whose ideas are in accord with religious principles such as the elimination of poverty, war, racism, pollution, etc.

(e) that church buildings, facilities, and personnel be made available to community groups and the total community for such programs as clothing distribution, breakfast programs, recreation, education, political action groups, drug programs, etc.

3. The hyprocrisy of organized religion to profess love, brotherhood, and the celebration of life, yet by their too frequent silence having condoned the atrocities, incidents of racial prejudice, and slaughter of Southeast Asian peoples has not gone unnoticed by the youth of America.

In order to correct this overwhelming paradox, The Values, Ethics and Culture Task Force calls upon all organized religions to officially demand immediate and total withdrawal of all American troops from Southeast Asia.

4. In the belief that the Church and the People are synonymous, the Values, Ethics, and Culture Task Force strongly urges that the governing board of churches be comprised of all segments of the membership. In particular, youth must have voice in all decisions.

5. Ignorance and misunderstanding of different religions and cultures has often led to persecution and suffering in our society.

Thus, in order to create better understanding among all members of our society, the Values, Ethics, and Culture Task Force recommend that optional courses in Diversity of Religion and Culture be offered at all high schools, and that programs of education in Diversity of Religion and Culture be made available for the media to reach large segments of the population.

In conclusion, Mr. Speaker, I again want to pay tribute to Steve Hess and his staff for the magnificent work they did in organizing the conference.

It is my earnest hope that the work of the conference will receive the close attention of the President and the Congress.

DEPRECIATION REGULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANDERSON) is recognized for 60 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, when President Kennedy announced the far-reaching changes in regulations for asset depreciation contained in Revenue Procedure 62–21 of 1962, the economy was in much the same state of slack and uncertainty in which we find it today. In the previous year, unemployment had averaged almost 6.7 percent, a figure slightly larger than the rate of 6 percent that prevailed just prior to the announcement of the new ADR regulations by the Nixon administration last January.

Similarly, during the last full year before the Kennedy administration reforms, average utilization of industrial capacity was 78.5 percent compared with the 76.4 percent average during 1970. Finally, in both instances it was clear by the time the depreciation reforms were announced that the economy had been through the worst of the recessionary downturn, and that it would only be a matter of time before it began to move steadily back toward full production. The key question in both instances was what could be done to spur the revival along.

It is not surprising, then, that such similar economic circumstances and needs gave rise to similar policy responses. Following the completion of a special Treasury Department study, President Kennedy ordered a reduction of the guideline lives for depreciation contained in the old Bulletin "F" averaging about 34 percent. This meant a first year loss to the Treasury of around $1.5 billion. In 1971, President Nixon followed a similar procedure in announcing a further 20-percent reduction of guideline lives after receiving recommendations by a high-level Presidential task force that included two former Secretaries of the Treasury.

Now the interesting thing, Mr. Speaker, is that President Kennedy's policy was met with near universal acclaim by

those on the other side of the aisle. Yet, when President Nixon embarked upon a similar policy in similar circumstances, spokesmen for the other party could not beat a path fast enough to the nearest network microphone to denounce the change as opening an outrageous "tax loophole" and an illegal usurpation of congressional power.

What is to explain this sudden about-face? Is it the case that we have had a fundamental change in the Internal Revenue Code in the interim so as to deny to the Treasury powers today that it apparently had in 1962? I must confess that I know of no such change. Have there been such basic alterations in the structure of the economy, or has there been such a sweeping revolution in our economic thinking that adequate capital consumption allowances are no longer considered vital to high-level economic performance? Again, I am not aware of any such development.

Mr. Speaker, I must reluctantly come to the conclusion, therefore, that the only thing distinguishing the situation today from that of 1962 is the fact that the President belongs to a different party. But are not the stakes involved too high, are not the implications for the future health and productivity of the American economy too great to reduce this important matter to a partisan political football?

To be sure, considerable effort has been made by opponents to show that the ADR proposal is unique, unprecedented, and therefore quite dissimilar to the 1962 changes. But I am afraid that upon examination these arguments prove to be more than a little transparent, and I am somewhat chagrined that they have been so unquestionably accepted in the press and elsewhere.

For example, Professor Bittker of Yale has made the following widely repeated assertion:

> I do not recall any action by the Treasury in prior years . . . with such momentous revenue consequences.

Translate this into newspaper headlines that suggest a $36 billion tax break over the next decade and the idea quickly gains currency that the Treasury has proposed an unprecedented tax giveaway.

The fact is that only $1 billion, or 36 percent of the expected $2.8 billion first year loss to the Treasury stems from the shortened guideline lives. The remainder must be ascribed to the impact of the new modified first year convention that not a single critic has challenged on legal grounds. Moreover, this $1 billion loss represents only 3.3 percent of corporate taxes expected in 1971 whereas the first year loss under the 1962 change represented almost 7.2 percent of corporate taxes. That is, relatively speaking, the 1962 loss was twice as large as the current loss. While in later years, the percentages tend to even out, there certainly is no ground for concluding that the revenue loss is unprecedented.

Professor Bittker has also charged that—

> The sweeping goals of the ADR system, as announced by the President and the Treasury . . . to create jobs, promote economic growth, strengthen our balance of payments, increase productivity . . . extend far beyond the Treasury's legal authority to promulgate interpretive regulations.

In his view, the Treasury has strayed from its rightful administrative role into the field of broad policymaking.

While the history of depreciation policy does not at all suggest the Treasury is bound by such rigid constraints, it is even more interesting to note that the Kennedy administration used almost the same sweeping language in 1962. Announcing the changes, President Kennedy said:

> By encouraging American business to replace its machinery more rapidly we hope to make American products more competitive, to step up our rate of recovery and growth, and to provide expanded job opportunities for all Americans.

Secretary of the Treasury Dillon elaborated upon all of these points in his accompanying statement. Yet, in looking at the record I have encountered no charge that the Treasury was overstepping this "modest role for regulations" in 1962.

Mr. Speaker, there are still a number of other arguments made by the critics of ADR which at least by implication attempt to distinguish it from the 1962 reforms. I have attempted to answer these in a five page factsheet on ADR that I prepared for the members of the House Republican Conference and I will include it at the end of my remarks. The essential point I want to make, though, is that ADR can properly be viewed as a continuation of the reform that began in 1962. Indeed, Secretary Dillon almost pointed the way for ADR with these words:

> Our revision of depreciation guidelines and rules recognized that depreciation reform is not something that, once accomplished, is valid for all time. It reflects an administrative policy dedicated to continuing review and updating of depreciation standards and procedures to keep abreast of changing conditions and circumstances.

Certainly the inflation, declining profits, and termination of the investment credit during the last 3 years qualify as the kind of "changing conditions and circumstances" that make further reform in order. Yet what word do we hear today from those like Senator HUMPHREY who said in 1962:

> The new guidelines (are) of great significance to the well-being and the prosperity of the economy . . . the revisions will offer huge incentives for new capital investment . . . (and will have) a very salutary effect insofar as investment opportunities are concerned.

And who said further:

> This is but a first step, even though a vital one in the right direction. Other things need to be done.

Simply the following stubborn negativism: "This is the wrong move at the wrong time for the wrong reason. Accelerated depreciation in light of the present state of the economy, consumer demand, and utilization of industrial plant capacity is like giving a pair of track shoes to a cripple." Apparently, the Senator from Minnesota had not yet thought of imaginative metaphor when confronted with the same underutilization, unemployment, and economic sluggishness in 1962.

Mr. Speaker, at this point I would like to include a legal brief submitted to the Internal Revenue Service by Joel Barlow and two of his colleagues in the RECORD at the conclusion of my remarks. Mr. Barlow's excellent statement demonstrates that there is ample precedent for administrative action of the scope of ADR and that the "useful life" concept that has been bandied about so loosely by the critics has a broad and varied enough historical meaning to encompass ADR.

The material referred to follows:

FACT SHEET ON THE PROPOSED DEPRECIATION REGULATIONS—ASSET DEPRECIATION RANGE (ADR)

I. WHAT ADR WOULD DO

(A) Provide a choice to taxpayers to take as a reasonable allowance for depreciation an amount based on a period of years between 20% above and 20% below the guideline lives established by Revenue Procedure 62-21 in 1962. For example, the guideline life for the broad class of machinery used in the manufacture of lumber, wood products and furniture was pegged at 10 years in the 1962 regulations. Under ADR a taxpayer could pick a time period for depreciation between 8 and 12 years as a matter of right. The only requirements are that once an ADR period has been selected it cannot be changed during the life of the asset, and that if the ADR system is chosen during any tax year it must be applied to all assets put into service by the firm. ADR would not apply to structures or real estate improvements or to public utilities like electric, water, gas and telephones. It would apply only to assets put into service after December 31, 1970.

(B) Terminate the "reserve ratio test" established by the Treasury in 1962 for taxable years after December 31, 1970. This was a test designed to insure that shortened tax lives chosen by taxpayers conformed to actual service lives, but proved so inequitable and administratively cumbersome that it was never fully put into effect.

(C) Allow taxpayers electing the ADR system a choice of either the current half-year convention in which all assets placed in service during a taxable year are considered placed in service at mid-year for depreciation purposes, or a new modified first year convention in which assets acquired during the first half of the year would be treated as acquired at the first of the year and assets acquired during the second half of the year would be treated as acquired at mid-year. The only restriction is that the method chosen must be consistently applied to all assets put into service in any taxable year.

II. WHY ADR IS NEEDED

(A) *To spur productivity growth through modernization of machinery and equipment*

(1) In the past four years the productivity growth rate which averaged a little over 3% in the period since World War II dropped to a dismal 1.7%. Since compensation per man hour rose at an annual rate of 7% during this same four year period, the average increase in unit labor costs was 5.3%. This unprecedented increase in unit labor costs was a primary contributor to the inflationary surge of the past four years and consequently to the need for the restrictive fiscal and monetary policies that have resulted in the current economic slack and unemployment.

Since increases in real wages were almost negligible during the years of inflation, it is clear that American workers can only ob-

tain the higher living standards they desire through wage increases that can be absorbed by high productivity growth rates. The alternative is the resumption of rising unit labor costs, higher pricing, and an endless treadmill of inflation. The general public will also benefit from high productivity growth because it will make possible rising wages without the inflationary pressures that necessitate restrictive economic policies.

(2) A 0.1% increase in the annual productivity growth rate translates into $1 billion of GNP in 1971. Assuming normal economic growth, this 0.1% increase would be $15 billion in 1980 or $60 billion of GNP for the entire decade. An increase of 0.4% in the productivity growth rate would mean $250 billion in additional GNP over the coming decade. These increases would provide both advances in real income for all Americans and significantly enlarged revenues for the Federal Treasury.

(B) *To halt the recent retrogression in the modernization of machinery and equipment*

(1) As a result of the depreciation liberalization of 1962, the investment tax credit and the period of stable economic growth during the mid 1960's, American business made tremendous strides in reducing the percentage of obsolete equipment. According to the authoritative McGraw-Hill survey, the percentage of obsolete manufacturing machinery and equipment was reduced from 20% in 1962 to 14% in 1968, a 30% drop. However, the termination of the investment credit, high levels of inflation and depressed profits have led to a reversal of this trend since then. Between 1968 and 1970, the percentage of outmoded manufacturing equipment increased over 7%. Whereas between 1962 and 1968 the percentage of obsolete equipment dropped for 12 of 13 categories of manufacturing industries, in the later period it increased in 11 of 13 categories as demonstrated by the following table:

Industry	Percent change 1962–68	Percent change 1968–70
Iron and steel	—3	+2
Machinery	—7	—1
Electrical machinery	—3	+4
Autos, trucks, parts	—3	+1
Aerospace	—6	+6
Other transportation equipment	—14	+6
Fabricated Metals	—8	—6
Stone, glass, clay	—5	+1
Chemicals	+2	+5
Rubber	—6	+3
Petroleum and coal	—5	+5
Food and beverages	—9	+7
Textiles	—12	+5

Note: — means reduction in percentage of obsolete machinery; + means increase.

Source: How Modern is American Industry? Economics Department, McGraw-Hill Publications, Dec. 6, 1968 and Nov. 27, 1970

(D) *To bring the American business taxation structure into line with that of our industrial competitors and thereby help improve the balance of trade*

(1) There has been an alarming drop in the American balance of trade in recent years. For the period 1962–67, the average annual trade surplus was nearly $5 billion; between 1968–70 it declined dramatically to $1.5 billion, a 70% decrease.

These figures mean that American goods are becoming increasingly less competitive in both foreign and our own markets. In 1961, the U.S. exported 7½ times the amount of machinery that it imported; by 1969, it exported only a little over 2½ times the amount of machinery imported. In this period, imports expanded by 470% while exports only increased 75%. In such categories as textile and leather machinery we actually switched from being a net exporter to being a net importer.

(2) While many factors contribute to this decline in competitiveness, an important one is the significantly less favorable treatment afforded American business income relative to that of our competitors.

The following chart is taken from the Report of the President's Task Force on Business Taxation and indicates the considerably shorter cost recovery period allowed taxpayers in most other industrial nations. These shorter capital cost recovery periods both increase the cash flow of firms and hence the capacity to invest, and lower the cost of capital and hence its profitability—the other important factor affecting investment decisions. By shortening recovery periods, ADR would bring the American tax structure more into line with those of other industrial nations and make it possible for businessmen to replace economically and technologically obsolete machinery on a more rapid basis:

Country	Representative cost recovery period (years)	Aggregate cost recovery allowance (percentage of cost of asset): First taxable year	First 3 taxable years	First 7 taxable years
Belgium	10	20.0	48.8	89.0
Canada	10	20.0	48.8	79.0
France	8	31.3	67.5	94.9
Italy	6	20.0	65.0	100.0
Japan	11	34.5	56.9	81.4
Luxembourg	10	28.0	60.4	101.9
Netherlands	5	10.0	42.4	77.1
Sweden	5	30.0	65.7	100.0
Switzerland	6⅔	15.0	58.4	90.0
United Kingdom	12	57.8	78.1	102.1
Western Germany	9	16.7	49.6	83.8
United States	13	7.7	33.9	66.1

(D) *To stimulate a higher rate of capital formation*

(1) If the United States is to enjoy noninflationary growth through improved productivity and greater competitiveness in international markets, we will have to considerably step up our rate of re-investment of GNP. By liberalizing tax treatment of business income, ADR will make a direct contribution to the attainment of this objective.

Currently, of the major industrial nations the United States reinvests the lowest portion of its GNP as the following table demonstrates:

Country	GNP (1967–68): Percent reinvested in fixed assets	Percent reinvested in machinery and equipment
United States	16.6	6.9
United Kingdom	18.2	----
Italy	19.4	----
Germany	23.1	10.8
France	24.9	8.9
Japan	34.0	25.1

Source: OECD Observer, February 1970.

(E) *Partially compensate for effects of inflation*

(1) Current capital recovery allowances are based on the historic cost of the asset. Because of this, depreciation allowances represent a decreasing proportion of the cost of replacing facilities as their prices rise. In the last decade alone, the official price index rose 20%.

In 1940, for example, the cost of a 55 ton railroad car was about $2,550. In 1963, the price of the same car stood at $9,000. This means that over two thirds of the cost of replacement, a legitimate cost of doing business, would have had to have been taken out of profits on which tax had already been paid. Similarly a certain type of blast furnace that sold for $8 million in 1945 would have cost $26 million in 1963. Again the difference would have had to have been made up out of taxable profits. The obvious implication is that underdepreciation due to inflation results in the taxation of "phantom profits" or a levy on capital. One leading expert on depreciation, George Terborgh, stated the problem succinctly: "Taxation of capital consumption is not only inequitable (but) has one certain effect: the retardation of economic progress through curtailment of the funds available to industry for capital investment."

(2) The President's Task Force on Business Taxation estimated that this underdepreciation due to inflation amounts to over $7 billion annually for all non-financial corporations and to almost $10 billion annually if financial and unincorporated businesses are included. By shortening the cost recovery period, ADR provides considerable relief from the costs of chronic inflation. The acceleration of deductions provides that more deductions can be taken before any particular level of inflation has occurred and the acceleration advantage itself can partially offset the inflationary erosion by increasing the present value of the deduction.

(F) *To improve investment opportunities for small and medium business*

(1) While the ADR system is being criticized by opponents as an unwarranted windfall to big business, the relative benefits probably are greater for small and medium sized businesses. This is because these firms are least able to go to the capital market for *external funds* to finance investment. Anything, therefore, that increases the flow of *internal funds* improves considerably the ability of these firms to invest. Since the major source of internal funds has increasingly become depreciation allowances—in 1946 depreciation accounted for 36% of internal funds of non-financial corporations and in 1969 for 76%—liberalization of depreciation allowances will have a particularly favorable impact on the ability of small and medium sized firms to expand investments.

(G) *To help meet the costs of environmental restoration*

(1) The emerging national policy requiring the incorporation of environmental damage costs in product prices will force business firms to make heavy capital expenditures to develop and install pollution control technology. Production processes which have been considered acceptable in the past will suddenly become intolerable and many firms will be required to replace assets far sooner than imagined. By shortening capital cost recovery periods, ADR will assist in easing the transition into new technologies.

III. DOES THE TREASURY HAVE THE LEGAL AUTHORITY TO ESTABLISH ADR?

(1) In the principal legal paper relied on by the critics, Professor Bittker of Yale states: "I do not recall any action by the Treasury in prior years . . . with such momentous revenue consequences." This is simply a misinterpretation of the facts. While the first year loss to the Treasury would be substantial—$2.8 billion in 1971—the critics fail to note that a good part of the initial losses stem not from the shortened guideline lives but from the modified first year convention. In fact, only $1.0 billion or 36% of the expected first year loss stems from the shortened guidelines. The remainder stems from the modified first year convention—a change that not a single critic has challenged on legal grounds.

If we compare the loss to the Treasury resulting from the shortened guidelines lives under ADR with the loss that resulted from the promulgation of Revenue Procedure 62–21 by President Kennedy as a percentage of corporate taxes, we see that, relatively, the loss in 1962 was over *twice as large* as under ADR. Specifically, the first year loss under R.P. 62–21 was 7.5% of corporate taxes

while the loss from the shortened guidelines under ADR is expected to be about 3.3% of corporate taxes.

(2) Professor Bittker charges that the sweeping objectives of the ADR system as announced by the President and Treasury, e.g., to promote economic growth, create jobs, strengthen our trade position, etc. constitute basic fiscal and economic policy not merely "interpretative regulations" for which the Treasury has authority. However, in announcing the new depreciation guidelines in 1962, President Kennedy suggested equally sweeping objectives: "By encouraging American business to replace its machinery more rapidly, we hope to make American products more competitive, to step up our rate of recovery and growth and to provide expanded job opportunities for all American workers."

(3) Critics such as Senator Bayh charge that ADR abandons the crucial "useful life concept" and that "Congress has established ample precedent—if any is needed—for the principle that any abandonment of the concept of useful life requires legislative action." The fundamental flaw of this argument is that "useful life" has had no consistent, enduring meaning over the last fifty years, but has undergone a long series of changes. Prior to 1931, the taxpayer had wide leeway as to the amount of depreciation he could write off each year. As one scholar has noted, "Depreciation rates . . . during the first 20 years . . . were generally based on estimated lives which turned out to be considerably shorter than the actual lives . . . of the assets being depreciated."

In 1934, with Treasury Decision 4422, the interpretation of "useful life" swung in the other direction toward a rigid notion of the useful *physical* life of an asset. In 1956 the Treasury promulgated new rulings which altered the meaning of useful life again to mean "useful life of an asset in the business." Finally, in 1962, assets were grouped into less than 100 broad guidelines lives categories (compared to the more than 5,000 categories under the previous regulation—Bulletin "F"). This switch to broad asset groupings permitted a substantial deviation between actual and guideline lives for many individual assets. The new guidelines also were made available during the first three years as a matter of right to the taxpayer. This meant that the taxpayer no longer had to prove to the IRS that his tax life conformed with his actual service life. To be sure, after 1965, the reserve ratio test was supposed to replace the traditional obligation to justify the depreciation period, but it never really became operative.

In light of this, the critics who charge that ADR departs from the "useful life" concept might be asked "which version?"

(4) Contrary to the assertions of the critics there is a long history of major administrative changes by the Treasury concerning depreciation allowances. In 1934, the Ways and Means Committee proposed an across-the-board 25% reduction in depreciation periods in order to increase revenues and eliminate alleged abuses of the liberal depreciation practices developed during the 1920's. However, Secretary of the Treasury Morgenthau argued against Congressional action on the grounds that the matter should be rested on *proper administration* rather than on *legislative action.*" He then proceeded to increase depreciation periods by about 25% administratively, with the full support and acquiescence of the committee.

In 1954, the Internal Revenue bill originally passed by the House contained a section providing that IRS could not disturb a taxpayer's depreciation rate so long as it did not differ by 10% from what the IRS determined to be correct. Since in the previous year the Treasury department had provided for essentially the same thing in a set of new regulations, the Senate Finance Committee decided the House provision was not necessary and left the change to rest solely on administrative authority.

Finally, the reductions in guideline lives in 1962 were in many instances two or three times greater than the modest 20% reduction proposed by the Nixon Administration. The guideline life for textile machinery, for example, was reduced by 44%, for airplane manufacturing equipment the reduction was 47%, and for baking equipment it was 66%. Needless to say, ADR critics like Hubert Humphrey thought these 1962 changes to be fully "within the authority of the present tax law."

BEFORE THE DEPARTMENT OF THE TREASURY, INTERNAL REVENUE SERVICE, WASHINGTON, D.C., APRIL 12, 1971

IN THE MATTER OF: PROPOSED AMENDMENTS TO THE INCOME TAX REGULATIONS (26 CFR PART 1): ADDITION OF SECTION 1.167(a)–11 PROVIDING FOR DEPRECIATION BASED ON ASSET DEPRECIATION RANGES, 36 FEDERAL REGISTER 4885 (MARCH 13, 1971)

The purpose of these Comments is to put to rest assertions that the Treasury Department lacks authority to prescribe the regulations proposed in the Federal Register of March 13, 1971, providing asset depreciation ranges for various classes of assets first placed in service after December 31, 1970.

Proposed Section 1.167(a)–11 of the Income Tax Regulations provides an elective modified calculation of annual depreciation allowances for certain assets first placed in service after December 31, 1970. This alternative depreciation arrangement, described as the Asset Depreciation Range or ADR System, permits the taxpayer to elect to base depreciation of an asset on any number of years within the designated range of years for that particular class.

The ADR ranges are generally from 20 percent shorter to 20 percent longer than the present "Guideline" lives specified in Revenue Procedure 62–21, 1962–2 Cumulative Bulletin 418. In no case may an asset be depreciated below its estimated salvage value but a 10 percent tolerance in salvage estimation is included in the ADR rules. There are also special provisions dealing with retirements and repairs which are designed to simplify administration.

Strong criticism has been mounted against these proposed regulations, including attacks by distinguished members of law school faculties.[1] This criticism is unjustified. The facts are:

(1) That the statutory provisions from which the Treasury Department derives its power to prescribe depreciation regulations are sufficiently broad to encompass the instant proposed regulations.

(2) That there are at least three precedents in the history of our income tax laws where the Treasury has taken similar administrative actions in the field of depreciation, in each case with no greater statutory power than is now available to it and without Congressional or judicial challenge.

(3) That these proposed regulations are the inevitable, realistic and practical end-product of new depreciation policies instituted by administrative action, beginning in 1962, with express Congressional approval.

A. Statutory authority for the ADR system

Section 7805 of the Internal Revenue Code of 1954, as amended,[2] grants the Treasury the broad authority to promulgate all "needful rules and regulations for the enforcement of this title." Given the complexity of the Internal Revenue Code, it is not surprising to find that the Courts consistently and repeatedly uphold Treasury regulations under this Section. In ruling upon the validity of such a Section 7805 regulation in *Commissioner* v. *South Texas Lumber Co.*, 333 U.S. 496, 501 (1948), the Supreme Court observed that:

"This Court has many times declared that Treasury regulations must be sustained unless unreasonable and plainly inconsistent with the revenue statutes. . . ."

In the light of this attitude, the courts have struck down Section 7805 regulations only where there is an attempt to amend by regulation a clear, specific and unambiguous statute. *See, e.g., Koshland* v. *Helvering*, 298 U.S. 441 (1936); *O'Neill* v. *United States*, 410 F. 2d 888 (6th Cir. 1969); *F. H. E. Oil Co.* v. *Commissioner*, 147 F. 2d 1002 (5th Cir. 1945), *modified*, 149 F. 2d 238;[3] *Edmund P. Coady* 33 T.C. 771 (1950), *aff'd*, 289 F. 2d 490 (6th Cir. 1961).

The substantive statutory provisions governing the recovery of the cost of capital assets through depreciation deductions have always been expressed by Congress in broad language. Thus, Section 167(a) of the Code provides that:

"There shall be allowed as a depreciation deduction a reasonable allowance for the exhaustion, wear and tear (including a reasonable allowance for obsolescence)—

(1) of property used in the trade or business, or

(2) of property held for the production of income."

This language clearly compels interpretation. Although essentially this same provision has been in our income tax statutes since 1913, there has not been a settled and consistent interpretation of its meaning. The Treasury Regulations have employed the phrase "useful life" as the measuring standard of depreciation but that phrase itself has been the subject of varying meanings. Less than 11 years ago the Supreme Court was moved to say that:

"It is true, as taxpayers contend and as we have indicated, that the language of the statute and the regulations as we have heretofore traced them [to 1956] may not be precise and unambiguous as to the term 'useful life.' It may be that the administrative practice with regard thereto may not be pointed to as an example of clarity, and that in some cases the Commissioner has acquiesced in inconsistent holdings . . . ." *Massey Motors, Inc.* v. *United States*, 364 U.S. 92, 100 (1960).

When one contrasts this with the language of the Court in *Cammarano* v. *United States*, 358 U.S. 498 (1959), and in *Fribourg Navigation Co., Inc.* v. *Commissioner*, 383 U.S. 272 (1966), which Professors Domrese and Bittker cite respectively in support of the proposition that the "useful life" concept of the early regulations acquired the force of law by Congressional re-enactment in the face of long-standing consistent interpretation, it is apparent that the suit will not fit.

This is the Court's description of the *Cammarano* regulation:

"Here we have unambiguous regulatory language, adopted by the Commissioner in the early days of federal income tax legislation, in continuous existence since that time, and consistently construed and applied by the courts on many occasions to deny deduction . . . . In these circumstances . . . [re-enactment] 'was taken with knowledge of the construction placed upon the section by the official charged with its administration. If the legislative body had considered the Treasury interpretation erroneous it would have amended the section. Its failure so to do requires the conclusion that the regulation was not inconsistent with the intent of the statute [citations] unless, perhaps, the language of the Act is unambiguous and the regulation clearly inconsistent with it.'" 358 U.S. at 511.

Footnotes at end of article.

And Professor Bittker's quotation from *Fribourg Navigation* is as follows:

"Over the same extended period of years during which the foregoing administrative and judicial precedent was accumulating, Congress repeatedly re-enacted the depreciation provision without significant change. Thus, beyond the generally understood scope of the depreciation provision itself, the Commissioner's prior long-standing and consistent administrative practice must be deemed to have received congressional approval." 383 U.S. at 283.

In contrast to the regulations and practices before the Court in *Cammarano* and *Fribourg Navigation* the concept of "useful life" for depreciation purposes passed through several revolutionary phases, both before and since the last statutory enactment in 1954, responding to changing times and to complementary provisions in our tax laws.

The situation prevailing prior to the depression has been described as follows:

"Prior to 1934, the taxpayer had wide leeway as to the amount which he could write off each year against his current income as allowance for the cost of machinery, equipment and buildings. So long as his policy was consistent and in accordance with sound accounting practice, the tax authorities raised little question, realizing that the cost could be written off only once." Address by Under Secretary of the Treasury Marion B. Folsom, National Press Club Luncheon Meeting, March 24, 1954.

With the publication of the first "Bulletin F" in 1931 and its rigorous enforcement beginning in 1934, T.D. 4422, XIII–1 Cumulative Bulletin 58, standardized lives tied to the inherent physical endurance of the asset became the rule. In these depression years the Bureau of Internal Revenue was motivated to extend depreciable lives and thereby reduce depreciation allowances to protect the revenues.

Since salvage was the estimated value of the asset at the end of its useful life, a consequence of the physical life approach was to permit taxpayers disposing of assets before the expiration of their physical lives to depreciate below the anticipated actual recovery value of those assets. This was of no great concern prior to the Revenue Act of 1942 since in that period the excess of the disposition proceeds over the asset's adjusted basis was taxed as ordinary income, offsetting the earlier "excess" depreciation.

The Revenue Act of 1942 changed the asset disposition profits into capital gains. With this change and the 1954 accelerated depreciation provisions of the Code very much in mind, the Treasury Department redefined useful life in the 1956 regulations, rejecting the physical life approach in favor of the useful life of the asset in the business. The Commissioner was then successful in persuading a majority of the Supreme Court in the *Massey* case to apply the same interpretation to earlier years, for purposes of determining salvage values, in the absence of any prior inconsistent regulatory provision.

Since the critics of the ADR System rely heavily on the *Massey* case, it is appropriate to state here what that case holds and what it does not hold. Massey Motors, a franchised Chrysler dealer, set aside a number of new cars for company officials and employees to use in the business. It also rented cars to a finance company. These cars were sold after being driven from 8000 to 40,000 miles, well before they were physically exhausted. The issue before the court was whether Massey Motors could calculate depreciation by estimating the theoretical salvage at the end of the physical lives of the cars or was required to use higher salvage estimates based on the shorter lives actually experienced in the business. The Court's holding is most succinctly stated in the following paragraph from its opinion:

"Some assets, however, are not acquired with intent to be employed in the business for their full economic life. It is this type of asset, where the experience of the taxpayers clearly indicates a utilization of the asset for a substantially shorter period than its full economic life, that we are concerned with in these cases. Admittedly, the automobiles are not retained by the taxpayers for their full economic life and, concededly, they do have substantial salvage, resale or second-hand value. Moreover, the application of the full-economic-life formula to taxpayers' businesses here results in the receipt of substantial 'profits' from the resale or 'salvage' of the automobiles, which contradicts the usual application of the full-economic-life concept. There, the salvage value, if anything, is ordinarily nominal. Furthermore, the 'profits' of the taxpayers here are capital gains and incur no more than a 25% tax rate. The depreciation, however, is deducted from ordinary income. By so translating the statute and the regulations, the taxpayers are able, through the deduction of this depreciation from ordinary income, to convert the inflated amounts from income taxable at ordinary rates to that taxable at the substantially lower capital gains rates. This, we believe, was not in the design of Congress." 364 U.S. at 96–97.

What the Supreme Court did in the *Massey* case was to interpret the relevant provisions of the 1939 Internal Revenue Code, in the absence of any contrary interpretative regulation, to reach a result in the absence of which, because of the 1942 Revenue Act, taxpayers in somewhat unusual circumstances would have been able to trade capital gains for ordinary income.[4]

The 1956 regulations, defining useful life and salvage in accordance with the taxpayer's experience, interpreted, or re-interpreted, Section 167(a), a provision which was not new in the 1954 Code. They reflected the revenue concern which arose by reason of the capital gains disposition provisions of the Revenue Act of 1942. Their application to 1954 Code years was accepted by the Court in the companion case to *Massey, Hertz Corporation* v. *United States*, 364 U.S. 122 (1960).

The question before the Court in *Hertz* was whether the 1956 regulations were "valid" under the statute (364 U.S. at 126) not whether those regulations were unchangeable. By giving effect to the 1956 regulations in the face of a conflicting administrative practice prevailing at the time of adoption of the 1954 Code, under which the 1956 regulations were issued, the Supreme Court confirmed the broad power of the Treasury Department to interpret and reinterpret the broad statutory depreciation provisions of the Code.

"Useful life" underwent another profound change in 1962 with the adoption of the Depreciation Guidelines of Revenue Procedure 62–21. The guideline lives were new standardized asset lives grouped in broad categories. They were available as a matter of right to any taxpayer no matter how far they might depart from his own particular useful life experience. Furthermore, while they were promulgated after extensive industry studies, the Guideline lives were shorter than those which were actually justified by the experience of most taxpayers: "The new reform provides guideline lives, based on analyses of statistical data and engineering studies *and assessments of current and prospective technological advances*, for each industry in the United States."[5]

The words "useful life" remained, but their meaning had been substantially changed. True, the reserve ratio test was included as a technique for later adjustment to reconcile the new lives with experience, but subject to many qualifications. Broad asset groupings still would permit substantial deviations between actual and guideline lives for particular assets. Moreover, the test was subject to an initial moratorium and various transitional rules which modified and delayed its impact. There can be no dispute that useful life did not mean the same thing in practical application in 1962 that it did in 1961.

The enactment of Section 1245 in 1962, reversing the capital gains disposition result of the Revenue Act of 1942, was an important statutory development facilitating the adoption of the Guidelines with their new useful life concept. Section 1245 takes on special significance in the light of the background of the *Massey* case described previously. The need for restrictive interpretations of "useful life" was greatly diminished by the adoption of Section 1245 and this was fully known to Congress. Section 1245 opened the door for the major shift in administrative depreciation policies embodied in the Guidelines, precursor of the ADR System. See S. Rep. No. 1881, 87th Cong., 2d Sess. 95 (1962).

Two significant and new depreciation provisions, Sections 167(b) and (d), were added as part of the 1954 Code and deserve attention here, since both enlarged the foundation upon which depreciation regulations may be premised. Section 167(b) provides that:

"(b) For taxable years ending after December 31, 1953, the term 'reasonable allowance' as used in subsection (a) shall include (but shall not be limited to) an allowance computed in accordance with regulations prescribed by the Secretary or his delegate, under any of the following methods. . . ."

Section 167(d) provides that:

"(d) Where, under regulations prescribed by the Secretary or his delegate, the taxpayer and the Secretary or his delegate have, after the date of enactment of this title, entered into an agreement in writing specifically dealing with the useful life and rate of depreciation of any property, the rate so agreed upon shall be binding on both the taxpayer and the Secretary in the absence of facts or circumstances not taken into consideration in the adoption of such agreement. . . ."

It is well recognized that statutory provisions such as these expressly delegating authority to make regulations, confer the broadest discretion. "Where the regulation is really legislative—that is, where it has been made pursuant to an actual and proper delegation of legislative power by Congress to the Treasury—then it would seem that the Treasury should have the same power to amend the regulation prospectively that Congress would have if it had enacted the legislation directly." Griswold, "A Summary of the Regulations Problem," 54 *Harv. L. Rev.* 398, 411 (1941); *see also* Surrey, "The Scope and Effect of Treasury Regulations Under the Income, Estate and Gift Taxes," 88 *U. Pa. L. Rev.* 556, 557–558 (1940); Eisenstein, "Some Iconoclastic Reflections on Tax Administration," 58 *Harv. L. Rev.* 477, 505, 527 (1945). Courts are bound to accept such legislative regulations if reasonable and within the delegated authority, irrespective of their own views.

The Depreciation Guidelines and their successor, the ADR System, each with their shorter, standardized lives and simplified administration, are fully consistent with the objectives Congress had in mind in adopting Section 167(b). Noting the difficulties inherent in interpreting Section 167(a)'s "reasonable allowance," the House Ways and Means Committee stated:

"Interpretation of the word 'reasonable' has given rise to considerable controversy between taxpayers and the Internal Revenue Service. The determination of useful life for a particular asset, or the average useful life

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Footnotes at end of article.

for a group of similar assets, is a matter of judgment involving, in addition to physical wear and tear, technological and economic considerations. The method of allocating depreciation allowances to the years of use is also a matter of judgment. In many cases present allowances for depreciation are not in accord with economic reality, particularly when it is considered that adequate depreciation must take account of the factor of obsolescence. The average machine or automotive unit actually depreciates considerably more and contributes more to income in its early years of use than it does in the years immediately preceding its retirement.

"There is evidence that the present system of depreciation acts as a barrier to investment, particularly with respect to risky commitments in fixed assets. Comparatively slow rates of write-off tend to discourage replacement of obsolete equipment and the installation of modern, up-to-date machinery. Under long-run peacetime conditions, in the absence of the inflationary pressures existing in the forced-draft economy of the postwar period, present tax depreciation methods might depress business capital expenditures below the level needed to keep the economy operating at high levels of output and employment." H.R. Rep. No. 1337, 83d Cong., 2d Sess. 22 (1954).

The additional source of legislative authority for the ADR System derived from Section 167(b) seems to have been largely overlooked by the ADR's critics, although Professor Bittker seems to recognize the possibility of a Section 167(b) foundation in his comments. He seeks to overcome the consequences of this recognition by noting the presence of the phrase "useful life" in Section 167(b)(4) from which he concludes that Section 167(b) is as limited in terms of supporting the adoption of the ADR System as Section 167(a). But his construction of Section 167(b) is not supportable. Section 167(b) contains an explicit grant of authority to prescribe legislative regulations qualified only by the language of its concluding sentence that "Nothing in this subsection shall be construed to *limit or reduce* an allowance otherwise allowable under subsection (a)." (Emphasis added.) The phrase "useful life" is used only in Section 167(b)(4) which refers to depreciation methods other than straight line, declining balance and sum-of-the-years-digits. This phrase does not appear in Section 167(b)(1), (2) or (3). More important, the term "useful life" is not defined in Section 167(b) and, as we have seen, the meaning of that term had not been tied to the taxpayer's asset holding period experience by consistent administrative practice under Section 167(a) when Section 167(b) was enacted. Clearly the legislative regulation delegation of Section 167(b) is not so narrow as Professor Bittker contends.

Professor Bittker wholly overlooks Section 167(d) which authorizes agreements between the Revenue Service and a particular taxpayer on useful lives and depreciation rates. This provision was enacted to remove "sources of irritation and fruitless controversy in administering depreciation policy." H.R. Rep. No. 1337, 83d Cong., 2d Sess. 24–25 (1954); S. Rep. No. 1622, 83d Cong., 2d Sess. 11 (1954). The same objective of reducing needless controversy and simplifying administration is one of the purposes of the new ADR System. See Treasury Department News Release, March 12, 1971, announcing publication of the proposed ADR regulations. Moreover, the proposed regulations expressly provide that "an election to apply this section [Section 1.167(a)–11 of the Regulations] to eligible property constitutes an agreement under section 167(d). . . ." Thus, Section 167(d) furnishes additional explicit statutory authority for the ADR System.

B. Administrative precedents

On at least three prior occasions the Treasury Department has effected important changes in depreciation allowances by administrative action without enabling legislation other than the broad and general statutory provisions previously described in these Comments.

As the depression deepened business depreciation deductions, theretofore largely determined at the discretion of the particular taxpayer, became a political target. Legislation was introduced in 1934 which would have arbitrarily reduced depreciation allowances by 25 percent for a three-year period. Secretary of the Treasury Henry Morgenthau, Jr., advised the Ways and Means Committee that this legislation was not required since the Treasury Department could achieve the same end by administrative action under Section 23(b) of the Revenue Act of 1932, the substantially-identical predecessor of Section 167(a). Secretary of the Treasury Morgenthau stated:

"It is intended that this end shall be accomplished, first, by requiring taxpayers to furnish the detailed schedules of depreciation (heretofore prepared by the Bureau), containing all the facts necessary to a proper determination of depreciation; second, by specifically requiring that all deductions for depreciation shall be limited to such amounts as may reasonably be considered necessary to recover during the remaining useful life of any depreciable asset the unrecovered basis of the asset; and, third, by amending the Treasury regulations to place the burden of sustaining the deductions squarely upon the taxpayers, so that it will no longer be necessary for the Bureau to show by clear and convincing evidence that the taxpayers' deductions are unreasonable. These changes will increase the revenue substantially, and, although difficult to estimate, records indicate that the amount of the increase in revenue will equal that which would result from the proposal of the Ways and Means Committee." Letter from the Secretary of the Treasury to the Chairman of the Ways and Means Committee, House of Representatives, January 26, 1934, in H.R. Rep. No. 704, 73d Cong., 2d Sess. 8–9 (1934).

Congress acquiesced in this administrative action and did not alter the depreciation statute. The Ways and Means Committee gave this explanation in its report on the Revenue Bill of 1934:

"Your committee believes that the plan of the Secretary will be the best course to pursue. It will give greater equity and increase the revenue by as great an amount as the subcommittee plan. Consequently, no changes in the existing law are recommended. It should be observed that it is proposed not only to reduce the rates where they may be excessive, but also to reduce the allowance by spreading the unrecovered basis of any asset over the remaining useful life. This method of applying the depreciation rate to the cost of the asset reduced by depreciation previously allowed has long been used in Great Britain. In the opinion of your committee, it will automatically effect large reductions in these allowances." H.R. Rep. No. 704, 73d Cong., 2d Sess. 9 (1934). *See also* S. Rep. No. 558, 73d Cong., 2d Sess. 11 (1934).

This 1934 action is of particular significance since it took place at a time when the recognition of administrative powers had not developed to its present state and long before the enactment of the legislative regulation provisions of Section 167(b) and (d). Congress expressly acquiesced in this administrative action despite the fact that it was equivalent to a 25 percent statutory reduction in depreciation allowances.

In 1953 the Treasury Department, moving away from the stringent burdens placed upon taxpayers by T.D. 4422, XIII–1 Cumulative Bulletin 58, which was the product of Secretary Morgenthau's 1934 letter, had issued Revenue Rulings 90 and 91, 1953–1 Cumulative Bulletin 43 and 44, in which it was stated that a taxpayer's depreciation would not be disturbed in the absence of a clear and convincing basis for a change. Congress was also concerned with the inadequacies of depreciation allowances under T.D. 4422. The 1954 Internal Revenue Code as originally passed by the House included a provision which would have become Section 167(e) providing that the Internal Revenue Service could not disturb a depreciation rate used by a taxpayer so long as the useful life determined by the Internal Revenue Service to be correct did not differ by more than 10 percent from the useful life used by the taxpayer.

Commenting upon this provision and the Treasury's new administrative depreciation policy embodied in the 1953 rulings, the Ways nad Means Committee Report on the 1954 Code said:

"The bill also provides that the Internal Revenue Service may not disturb a depreciation rate used by a taxpayer so long as the useful life determined by the Internal Revenue Service to be correct does not differ by more than 10 percent from the useful life used by the taxpayer.

"At the present time, the Internal Revenue Service has announced that, as a matter of administrative policy, internal revenue employees will not disturb depreciation deductions unless there is a clear and convincing basis for a change. The committee's bill is not intended to affect that particular administrative policy in any way nor is it intended to be a statutory substitute for that policy. However, if the Commissioner finds by clear evidence that the useful life of property as estimated by the taxpayer is too short, but the difference between the Commissioner's estimate and that of the taxpayer is 10 percent or less, the bill provides that no change can be made by the Commissioner. Moreover, should the Commissioner decide to withdraw present administrative policy, the bill provides statutory assurances to taxpayers that in no event will Internal Revenue Service employees disturb the taxpayer's estimate of useful life where judgment as to its duration differs by less than 10 percent.

"It is hoped that by providing a minimum statutory leeway for the taxpayer in making his estimates of useful life, most of the needless friction in this area will be eliminated." H.R. Rep. No. 1337, 83d Cong., 2d Sess. 24–25 (1954).

The Senate Finance Committee deleted the 10 percent statutory leeway since it concluded that the objective could and would be achieved by administrative action already taken. It said:

"Your committee has eliminated the '10-percent leeway' rule provided by the House bill, designed to assure a specific zone of administrative tolerance in the determination of service life. Under this provision, the Internal Revenue Service would not be permitted to disturb a depreciation rate unless the corrected rate differed by more than 10 percent from the useful life uses by the taxpayer. It appears that this provision would be considered inadequate and unsatisfactory by some taxpayers, and might be a substantial source of misunderstanding and distortion. The practical effect of eliminating this provision in assuring flexibility in administrative policy should not be great since policies already announced by the Internal Revenue Service under recent rulings should afford taxpayers freedom from annoying minor changes which would disturb the original estimate of service life." S. Rep. No. 1622, 83d Cong., 2d Sess. 28 (1954).

This Congressional recognition that a measure of tolerance in applying depreciation rules can be and should be achieved by administrative action rather than by statute has particular relevance to certain provisions of the ADR System, notably the 10 percent repair allowance deduction and the 10 percent salvage value minimal adjustment provision designed, in each case, to avoid irritation and fruitless controversy.

As previously noted, probably the most far-reaching changes in our tax depreciation policies were effected in the Depreciation Guidelines of Revenue Procedure 62–21, 1962–2 Cumulative Bulletin 418. No special statutory authority was sought or given in connection with these major changes, save the enactment of the depreciation recapture provisions of Section 1245. These major administrative changes were under consideration when the House Ways and Means Committee reported the Revenue Act of 1962. The Committee's Report stated:

"The Secretary of the Treasury has indicated that further depreciation revisions will be announced this spring. He has specified that the basic objective of these revisions is to provide realistic tax lives in the light of past actual practices and present and foreseeable technological innovations and other factors affecting obsolescence. The Secretary has stated that another facet of this objective is to achieve a more simple and flexible system of depreciation moving toward guideline lives for broad classes of assets used by each of the industries in our economy." H.R. Rep. No. 1447, 87th Cong., 2d Sess. 8 (1962).

By the time the Revenue Act of 1962 emerged from the Senate Finance Committee the Depreciation Guidelines had been promulgated. The Committee Report described the Guidelines in the context of the investment credit provisions of the 1962 Act. It deemed these to be complementary provisions:

"The Secretary [of the Treasury] pointed out that American industry today must compete in a world of diminishing trade barriers in which the advantages of a vast market, so long enjoyed here in the United States, are now being, or are about to be, realized by many of our foreign competitors. An increase in efficiency and productivity at a rate at least equal to that of other leading industrial nations is in the long run necessary, therefore, both from the standpoint of the U.S. balance-of-payments position and to continue to improve our standard of living. The investment credit as a form of investment stimulation already is in use by the United Kingdom, Belgium, and the Netherlands, and is in the process of being enacted by the Australian Parliament.

"To achieve an increased rate of capital formation, a two-pronged course of action is being followed in the area of capital formation. First, the Treasury Department has recently announced a series of depreciation revisions. The objective of these revisions is to provide realistic tax lives in light of past actual practices and present and foreseeable technological innovations and other factors affecting obsolescence. The new guideline lives are expected initially to result in an annual revenue reduction of $1.5 billion and to reduce depreciable lives in the case of corporations surveyed by 21 percent. Another facet of this objective is to achieve a more simple and flexible system of depreciation through the use of guideline lives for broad classes of assets used by each of the industries in our economy." S. Rep. No. 1881, 87th Cong., 2d Sess. 11 (1962).

The pattern of history is apparent from this experience. There can be no doubt as to the power of the Treasury Department to issue the proposed regulations embodying the ADR System. History suggests only that the wise and prudent course is for the Treasury Department to consult with the appropriate Congressional committees in advance of an important administrative change of this character. We understand that such consultations have been made.

C. Administrative necessity

Prior to Revenue Procedure 62–21 depreciable lives were determined on an asset-by-asset basis according to the taxpayer's particular asset-life experience following the precepts of "Bulletin F," an outgrowth of the depression, and Revenue Rulings 90 and 91, 1958–1 Cumulative Bulletin 43 and 44. Recognizing that "the determination of the useful economic life of an asset" on which depreciation deductions are premised under Section 167 of the Internal Revenue Code of 1954 "is a matter of judgment and estimate," Revenue Procedure 62–21 permitted taxpayers to adopt, at their option, new and generally substantially shorter lives for broad classes of assets. In announcing the new Depreciation Guidelines in July, 1962, the Treasury Department said:

"Revenue Procedure 62–21 provides basic reforms in the guideline lives for depreciation and in the administration of depreciation for tax purposes. It sets forth simpler standards and more objective rules which will facilitate adoption of rapid equipment replacement practices in keeping with current and prospective economic conditions."

* * * * *

"New guideline lives for machinery and equipment are set forth which, on the whole, average 30 to 40 percent shorter than those previously suggested for use by taxpayers. The new guidelines will automatically permit more rapid depreciation deductions than those presently taken on 70 to 80 percent of the machinery and equipment used by American business. They will not disturb the depreciation taken on the remaining 20 to 30 percent of business assets on which depreciation is now as fast as, or faster than, that provided in the new guidelines."

* * * * *

"The emphasis in this broad class approach is on achieving a reasonable overall result in measuring depreciation rather than a needless and labored item-by-item accuracy."

* * * * *

"The administrative revision of depreciation guidelines and practices contained in this Procedure is based on a recognition that depreciation reform is not something which can be accomplished once and for all time. It reflects an administrative policy dedicated to a continuing review and up-dating of depreciation standards and procedures to keep abreast of changing conditions and circumstances."[6]

The attractiveness of these new broad and shorter standard depreciation lives was lessened by the inclusion in the Guideline rules of a reserve ratio test. By the application of this test depreciable lives could be increased if future experience demonstrated that the taxpayer's replacement practices were not measuring up to the standards set by the Guidelines. Though intellectually appealing, the reserve ratio test has proved to be administratively impractical and has not in fact been put into widespread application.

The Treasury Department knew, in 1962, that if the reserve ratio test were applied with the Guidelines business would not elect to follow Revenue Procedure 62–21. So a three-year moratorium on the application of the test was embodied in Revenue Procedure 62–21 itself. Moreover, the test itself incorporated a substantial tolerance:

"An important feature of the reserve ratio test is the latitude it allows taxpayers in the determination of their depreciable lives, provided they meet reasonable standards. The margin of tolerance contained in the Reserve Ratio Table encompasses rates of replacement as much as 20 percent slower than the tax life used but only 10 percent faster. Thus the reserve ratio test will more quickly indicate the taxpayer's right to faster depreciation writeoffs than the possibility that longer tax lives should be used."

In addition to the moratorium and the tolerance built into the reserve ratio test itself, depreciation allowances were not to be subject to adjustment under Revenue Procedure 62–21 if the taxpayer was "moving toward" satisfying the test within the initial guideline life cycle. Finally, the taxpayer could justify his asset lives on the basis of "facts and circumstances" despite his inability to satisfy the test.

These ameliorations of the reserve ratio test proved inadequate. When the three-year moratorium expired in 1965 the Treasury Department was compelled to adopt two additional rules, the "transitional allowance rule" and the "minimal adjustment rule" of Revenue Procedure 65–13, 1965–1 Cumulative Bulletin 759. The combined effect of these rules was to preclude substantial adjustments by application of the reserve ratio test for approximately six more years or through 1970.[7]

The Treasury Department now finds itself in a very difficult dilemma. If it applies the reserve ratio test strictly in 1971 and future years, there will be widespread controversy with taxpayers, disparity of treatment, high administrative costs, painful adjustments and very unfortunate economic consequences. It may be contended at this juncture that this is the price which taxpayers (and the Treasury Department) must pay for having embarked upon the ambitious guideline program knowing they would eventually have to measure up to the reserve ratio test.

There is more to the present predicament than this. In particular, the inability of many taxpayers to satisfy the reserve ratio test may be attributable in large measure to circumstances largely beyond their control. Among these circumstances are:

(1) The suspension and subsequent repeal of the investment tax credit which was instituted with the guidelines and was expressly designed to stimulate the purchase of new machinery and equipment which, in turn, would help the taxpayer to meet the reserve ratio test.

(2) The credit squeezes of 1966 and 1968–9 which reduced the availability of capital to purchase assets.

(3) The tax surcharge of 1968–1970 which likewise reduced the availability of capital.

(4) The inflation and profit squeeze of 1968–1970 which depressed capital asset formation.

(5) The stock market decline of 1969–1970 which drastically reduced the supply of new equity funds.

(6) The business recession of 1970–1971 which was most severely felt by the capital goods industries.

(7) Shifting national priorities which have reduced the anticipated expansion of some segments of industry.

The ADR System is a measured and sensible answer to the depreciation dilemma of 1970. It is not the revolutionary give-away some of its critics would have us believe.[8] In contrast to the 30 percent to 40 percent shortening of depreciable lives of the Guidelines, it establishes a tolerance of 20 percent from the Guideline lives. This is a modest and reasonable advance considering the vast technological changes of the 1960's which tend to create ever-increasing obsolescence. Moreover, the United States is increasingly affected by economic developments outside its borders. It is no longer realistic or possible for business here to stay competitive without capital recovery allowances comparable to those of our major competitors in Europe and Japan. Even with the ADR System the United States will be last in rank in this respect and significantly lower than with the combined investment credit and Guidelines of 1962.[9]

Critics of the ADR System place great stress upon the elimination of the reserve ratio test, claiming that this is tantamount to the adoption of a capital recovery allowance free of the "useful life" concept which has acquired the force of a statute. We have already demonstrated that the "useful life" phrase itself has no immutable meaning. The ADR System does not do away with "useful life." It simply re-interprets that

Footnotes at end of article.

phrase in today's world, just as the Depreciation Guidelines did in the world of 1962.

The period within which an asset is in use does not necessarily mean that it is useful, in a productive sense, for a like period. Congress recognized this when it granted statutory recognition to the obsolescence in the depreciation statute and when it provided for accelerated methods of depreciation and conferred broad authority to prescribe regulations in 1954 by enacting Section 167(b). In a shrinking, competitive world there is every reason to believe that useful lives will become more uniform, hence the shift to uniform lives for broad asset categories in the Guidelines and now in the ADR System.

The reserve ratio test was devised as a theoretically ideal instrument for reconciling standardized lives to actual experience in every instance. It proved, however, to be administratively unworkable. Its complexity and ever-present threat deterred many from adopting the Guidelines. It could not adjust to changing economic conditions and governmental and private-sector developments. It was, in any case, still a backward-looking device and far from perfect as a measure of what useful lives will be for assets currently in service.

The fact is that there is no simple means for perfectly measuring a taxpayer's useful life. The ADR System is an effort to achieve simplicity and to approach as nearly as practicable the equitable solution. There must be a measure of liberality for taxpayers for any such system to be effective. Otherwise it will not achieve widespread adoption which is one of the most important objectives.

Professors Bittker and Domrese assert that the revenue effect of the adoption of the ADS System would be unprecedented. In so asserting they cite the revenue estimates of the Treasury but neglect to mention the Treasury Department's statement that: "It is anticipated, however, that the increase in employment and business activity will provide substantial additional feedback revenues to offset these reductions." Treasury Department News Release, January 11, 1971, page 4.

Moreover, the overall revenue figures are misleading. A very substantial portion of the revenue reduction is attributable to the modified half-year convention for calculating depreciation allowances in the year assets are first placed in service by the taxpayer. Yet neither Professor Bittker nor Professor Domrese has objected to this feature of the ADR System the authority for which apparently is beyond legal challenge. Putting aside the convention, the revenue effects of the ADR System do not stand out as unprecedented in contrast to the $1.5 billion revenue loss estimated in 1962 from adoption of the Guidelines,[10] taking into account the very substantial economic expansion and inflation of the past eight years.

In any case, this estimable concern with revenues does not rise to the level of legal argument. The "instructive parallel" Professor Bittker finds in the unanticipated revenue loss following upon the enactment of Sections 452 and 462 of the 1954 Code is not instructive since, in contrast to this earlier experience, the Treasury has calculated and evaluated the revenue effects of the ADR System and is not rushing to Congress for corrective action.

Respectfully submitted,

JOEL BARLOW
JOHN ELLICOTT
JEFFREY H. HOWARD

FOOTNOTES

[1] See, e.g., Comments of Professor Boris I. Bittker, Yale Law School, sponsored by Taxation with Representation, and Comments of Robert J. Domrese, Harvard Law School, submitted to Senator Sam J. Ervin, Jr., Chairman of the Senate Judiciary Subcommittee on Separation of Powers by Ralph Nader.

[2] Hereinafter referred to as the "Code."

[3] Professor Bittker places considerable reliance upon the 1945 opinion of the Fifth Circuit in the F. H. E. Oil Co. case which invalidated a regulation permitting current deductions for intangible drilling expenses. As Professor Bittker points out in a footnote the opinion was later modified when the court determined that the taxpayer did not come within the scope of the regulation in any event.

Putting that aside, Professor Bittker correctly notes the conclusion of the Court of Appeals that expensing intangibles would be inconsistent with Section 23(a) of the Internal Revenue Code of 1939 prohibiting deductions for capital improvements. He does not note, however, that the court was equally motivated by its conclusion that statutory percentage depletion was inconsistent with the regulation and distinguished an earlier case upholding the regulation prior to the enactment of percentage depletion.

Thus, the F. H. E. Oil Co. case is not even a clear holding on the narrower ground for which Professor Bittker advances it—that deductions for repairs under the ADR System are inconsistent with Section 263 of the 1954 Code, successor to Section 23(a) of the 1939 Code. More important, Professor Bittker overlooks the nature and purpose of the ADR System repair deduction allowance which is very different from the deduction regulation at issue in the F. H. E. Oil Co. case. The repair allowance is not a 100 percent deduction as under the regulation at issue in the F. H. E. Oil Co. case, but it limited to one year's depreciation on the vintage account. Moreover, the allowance is a two-edged sword. If the repair rule is elected, otherwise deductible as well as otherwise capitalized expenditures must be subjected to the repair allowance with its ceiling on current deductions and requirement that expenditures exceeding the ceiling be capitalized. The evident and stated objective of the rule is to reduce needless administrative costs and controversy. Such provisions bear no resemblance to the regulation struck down in the F. H. E. Oil Co. case. The prohibitions of Section 263 are not so absolute as to preclude a flexible and reasonable application. *Cf.* Cincinnati, New Orleans and Texas Pacific Railway Co. v. United States, 70–1 CCH USTC ¶ 9344 (Ct. Claims, 1970).

[4] The proposed ADR System carefully avoids overturning the Massey holding. Salvage under the ADR System is "the amount which is estimated will be realized upon a sale or other disposition of the property in the vintage account when it is no longer useful in the taxpayer's trade or business or in the production of his income and is to be retired from service." Proposed Regulations § 1.167(a)–11(d)(1)(i).

[5] Revenue Procedure 62–21, 1962–2 Cum. Bull. 418, 463–64 (Answer to Question 3, emphasis added).

[6] *Depreciation Guidelines and Rules,* U.S. Treasury Department, Internal Revenue Service, Publication No. 456 (7–62), July, 1962, 1, 4.

[7] These rules were effective for a "transitional period" beginning, in most cases, with the year 1965, and equal to the guideline life. The guideline life for most machinery is twelve years. The transitional allowance rule provides substantial insulation from the reserve ratio test for the first half of the transitional period or through 1970 for such machinery. Thereafter the allowance diminishes rapidly.

[8] The ADR System incorporates some features which may not be attractive to the electing taxpayer. A taxpayer making an ADR election must do so on his tax return for the year; he may not do so retroactively when confronted with possible depreciation adjustments as in the case of the Guidelines. Moreover, in making the election the taxpayer must do so with respect to all eligible assets, including used property unless it exceeds 10 percent of the total, not merely with respect to assets falling into a particular guideline category. The taxpayer electing ADR must establish reasonable salvage values and can suffer adjustments if he fails to do so, a requirement not imposed by the Depreciation Guidelines. See T.I.R. 399, September 28, 1962, Question and Answer 46. The taxpayer electing ADR may not exceed the tolerances of the depreciation ranges regardless of his facts and circumstances, while he may adopt the Guidelines with lives longer or shorter than those prescribed under appropriate circumstances.

[9] See table accompanying statement of Paul W. McCracken, Chairman, Council of Economic Advisers, on President's Announcements of Changes in Depreciation Allowances, released January 11, 1971.

[10] See S. Rep. No. 1881, 87th Cong., 2d Sess. 11 (1962).

Mr. MAYNE. Mr. Speaker, I rise in support of the Treasury Department's proposal, as announced January 11, 1971, to amend regulations of the Internal Revenue Service in order to provide taxpayers the option of adopting a simpler and more modern system of depreciation allowances for equipment and machinery, the asset depreciation range or ADR.

Hearings will be held upon this change in regulations during this next week. I believe there is strong congressional support and widespread public approval for this timely initiative of the Nixon administration, and that the public interest demands its speedy adoption and implementation.

The ADR proposal would give taxpayers the option of taking as a reasonable allowance for depreciation of machinery and equipment put into service after December 31, 1970, an amount based on a period of years between 20 percent above and 20 percent below the guideline lives established by the Treasury in 1962.

The proposal would terminate the inequitable and administratively cumbersome "reserve ratio test" established by the Treasury in 1962 for taxable years after December 31, 1970.

It would permit taxpayers selecting the ADR system the choice of having all assets placed in service during the taxable year being considered placed in service at midyear for depreciation purposes, or of having assets acquired during the first 6 months of the taxable year being given a full year depreciation and assets acquired during the second half of the year being given one-half year depreciation.

There are precedents for this action by the Treasury going back to the 1920's. President Kennedy, for example, had the Treasury Department under his administration announce guideline life reductions for some asset categories two or three times greater than the present proposals.

These changes, through acceleration of depreciation deductions, will be helpful to the hard-pressed farmer and small businessman. It will encourage the farmer, the small businessman, and the manufacturer to modernize their machinery and equipment. The gain in demand for these capital goods will energize the drooping farm machinery manufacturers and manufacturers of other machinery and equipment, taking up much of the slack causing unem-

ployment in those fields. Modernization of equipment and machinery will enable greater productivity, perhaps even enough to enable decreased costs through increased productivity to catch up to increased costs due to labor costs increases. Increased productivity and healthier farm operators and businesses mean less unemployment, and general improvement in our economy everywhere. High productivity growth makes possible rising wages without the inflationary pressures necessitating restrictive economic policies. It will also better enable American producers to meet competition from abroad and help improve our balance of trade, thereby strengthening the value of the dollar.

ADR furthermore, by shortening capital costs recovery periods, will assist in easing farmer's and manufacturer's transition to new technologies demanded by new antipollution laws and regulations. Some farmers and businessmen would be unable to make these improvements without this tax break.

I urge my colleagues to join in supporting this praiseworthy initiative by the Nixon administration, the ADR.

Similar, perhaps even greater, impact in promoting modernization of equipment and thereby increasing productivity, would be provided by restoration of the 7-percent investment credit for farmers and small businessmen. In my view, this would be a valuable complement, not a substitute, to ADR. In this instance, legislation amending the Internal Revenue Code would be required.

On the opening day of this Congress, January 22, I introduced such legislation, H.R. 712. I regret that the House Ways and Means Committee has not yet taken any action regarding this needed legislation to restore the investment tax credit for farmers and small businessmen, and I respectfully urge the committee to give the possibility of restoring investment tax credit the highest priority. Our farmers do not enjoy their fair share of the benefits of our national economy. They are entitled to better consideration.

EQUALIZATION OF BENEFITS FOR RETIRED MEMBERS OF THE DISTRICT OF COLUMBIA POLICE AND FIRE DEPARTMENTS

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

Mr. HOGAN. Mr. Speaker, yesterday the House acted to approve H.R. 2600, which would equalize the retirement benefits for those officers and members of the Metropolitan Police Department and the District of Columbia Fire Department who are retired for permanent disability. This legislation will reestablish the longstanding policy to maintain equal retirement benefits for all who retire at the same rank and with the same length of service regardless of their contribution to the relief fund. This practice was abandoned by Congress in 1957.

Those members of the Fire Department and the Police Department of the District of Columbia retiring after 1956 receive a minimum annual pension of 66⅔ percent of their last annual salary, while those retiring before 1956 yet receive an annuity not to exceed 50 percent of their last annual salary.

Certainly, these older retirees are just as entitled to the same benefits as those retiring after 1956. They have experienced the same hazards of duty and suffered the same physical loss. I concur with the committee completely in the view that the elimination of the percentage difference in their annuities is a matter of simple justice.

Only 156 retirees will be affected by this legislation. The cost to the Government will be minimal, yet the gain to these few individuals and their immediate families may result in their ablity to spend their remaining years a bit more comfortably. I am pleased to be a Member of this body which voted to put an end to the inequitable treatment of these public servants.

AVIATION TRUST FUND PRIORITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 10 minutes.

Mr. METCALFE. Mr. Speaker, last year the House Commerce and Ways and Means Committees developed legislation which was truly of historic significance. The Airport and Airway Development and Revenue Acts of 1970—Public Law 91-258—authorized a new and expanded program of financial assistance to public airport sponsors for essential safety development and increased funding levels for the modernization of our airways system. To pay the costs of updating our Nation's airport and airways systems, Congress increased existing taxes on the users—the airline passengers, aircraft operators, shippers, and the like—and created a new aviation trust fund to assure that these aviation tax receipts would not be used for other purposes.

From all indications, however, the Office of Management and Budget is not permitting the Federal Aviation Administration to implement this new self-financing law in the manner Congress intended. In the first 2 years of the program, administration requests for appropriations for the airport and airways capital programs are $425 million below the minimum levels authorized by Public Law 91-258. The statutory language developed by the Committee on Commerce states that "not less than" $280 million shall be available annually for making matching grant agreements with public airport sponsors for needed facility development. It also envisions that the airport and airways capital programs should have funding priority. In spite of these provisions, the administration has not interpreted the statute this way. Further, the Office of Management and Budget continues to propose that FAA's daily operational and administrative expenses be taken from user tax receipts in the trust fund and given greater or equal priority with the airport and airways capital programs.

In addition to recommending lower levels of airport program appropriations than were intended under the statute and attempting to improperly divert user tax revenues from airport and airway capital programs to cover FAA internal costs the administration is not using the contract authority provisions in Public Law 91-258.

As in the mass transit program, the Airport and Airway Development Act last year authorized the Secretary of Transportation to immediately commit $840 million for airport development projects, to be expended at not more than $280 million annually through fiscal year 1973. Since the program was being financed with an assured source of user funds, protected by a trust fund mechanism, there would be no reason to avoid some measure of longer-term financial assurance to airport sponsors who were planning major facility improvements. However, the Office of Management and Budget has restricted airport aid obligations to $170 million in fiscal year 1971 and $205 million in fiscal year 1972.

Other members of the Subcommittee on Transportation and Aeronautics of the Committee on Interstate and Foreign Commerce have cosponsored legislation to assure adequate funding for the aviation safety needs of the 1970's and to protect the new aviation user taxes from being diverted to lower priority purposes. As a new member of that subcommittee, I am introducing similar legislation today to meet these objectives.

Mr. Speaker, I would like to append to my remarks a full copy of the bill for the benefit of my colleagues.

The bill follows:

H.R. 7858

A bill to amend the Airport and Airway Development and Revenue Acts of 1970 to further clarify the intent of Congress as to priorities for airway modernization and airport development, and for other purposes

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Airport and Airway Development and Revenue Acts Amendments of 1971".

TITLE I—AIRPORT AND AIRWAY DEVELOPMENT

SEC. 101. Section 14 of title I of the Airport and Airway Development Act of 1970 (84 Stat. 224; Public Law 91-258) is amended by adding at the end thereof the following new subsection:

"(e) PRESERVATION OF FUNDS AND PRIORITY FOR AIRPORT AND AIRWAY PROGRAMS.—

"(1) Amounts equal to the minimum amounts authorized for each fiscal year by subsections (a) and (c) of this section shall remain available in the trust fund until appropriated for the purposes described in such subsections.

"(2) No amounts transferred to the trust fund by subsection (b) of section 208 of the Airport and Airway Revenue Act of 1970 (relating to aviation user taxes) may be appropriated for any fiscal year to carry out the activities enumerated in subsection (d) of this section (relating to administrative, research and development, maintenance and operating expenses) unless at least the minimum amounts for airport development established by subsection (a) of this section and at least the minimum amount for airways facilities established by subsection (c) of this section have been appropriated for such fiscal year."

TITLE II—AIRPORT AND AIRWAY REVENUES

SEC. 201. Paragraph (1) of subsection (f) of section 208 of title II of the Airport and Airway Revenue Act of 1970 (84 Stat. 251, Public Law 91-258) is amended to read as follows:

"(1) AIRPORT AND AIRWAY PROGRAMS.—Amounts in the trust fund shall be available, as provided by appropriation Acts, for making expenditures after June 30, 1970, and before July 1, 1980, to meet the obligations of the United States authorized under title I of this Act."

A PROPOSAL TO COMBAT THE ILLICIT IMPORT OF HEROIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RANGEL) is recognized for 30 minutes.

Mr. RANGEL. Mr. Speaker, I do not mean to sound alarmist, but while everybody has been talking about drug abuse, the heroin problem has just about gotten out of control. Law enforcement and customs officials scurry about making isolated arrests and seizures here and there, but outside the United States tons and tons of illicit heroin continue to flow unchecked toward our shores.

Most everyone has heard of what heroin does to our young people once it reaches them and how it torments their lives. Their entire waking existence is centered around stealing enough to pay for that fix and making that connection before their stomach turns over and withdrawal pains begin. Each day exposes them to disease, to viral hepatitis, inflammation of the veins, and pneumonia. Their emotional makeup becomes distorted, leading to personality decay and psychosis. They lose interest in all the normal concerns of life—work, school, family life, and friends. Their lives become living death, until they finally crumple to the floor of a hallway or bathroom dead and frothy white endema fluid begins oozing from their nostrils or mouth.

It was over 2 months ago when I explained how in my district, which is central Harlem that 12,000 of the 38,000 addicts there are adolescents and how, in New York City, death from heroin involvement is the leading cause of death for people between 15 and 35, exceeding any other cause including accidents, homicides, suicides, and natural diseases.

You may have heard of a recent study in Washington which found that in an area just six blocks north of the White House, extending east above Massachusetts Avenue, to within only four blocks north of the Capitol, over 24 percent of the young men between 15 and 19 and 36 percent of the young men between 20 and 24 are users of narcotics. In fact, it is conservatively estimated that in Washington alone there are over 16,800 addicts.

For too many of us, however, heroin is just a problem for New York and Washington black slum dwellers. Admittedly, statistical studies on the scope of the heroin problem in suburban and rural areas are scarce. What we do know, though, is that narcotics addiction exists all across the Nation in all sections of the country. The Bureau of Narcotics and Dangerous Drugs reports, for example, that addicts have turned up in such towns as Pasco, Wash.; Cermit, Tex.; Pueblo, Colo.; Gunnison, Colo.; and many other small or rural towns across the country. The problem is that for every addict that law enforcement officials encounter there are dozens more walking around.

Besides the terrible human toll that heroin takes on our Nation, there also exists a large toll in property as well. A heroin addict must steal to support his habit and must sell his "hot" goods at a cut rate. Abraham Beame, the New York Ctiy Comptroller, estimates that the average American addict must steal $150 daily in goods to pay for his $30 a day habit. This means that the Nation's 300,000 addicts are costing the American public $15 billion a year, which is one half the annual cost of the Vietnam war. This also explains why FBI figures show that 67 percent of all heroin users had an arrest for some other crime offenses prior to their first narcotic arrest.

The estimated percentage of crime induced by drug addiction is indeed startling: 60 percent of the robberies in New York City are attributed to persons on drugs; 75 percent of the burglaries in Albuquerque, N. Mex., are committed by addicts or those who have been addicts; and 75 percent of the robbery, burglary, larceny, and auto theft crimes in Fairfield County, Conn., are called narcotics connected.

Moreover, a few addicts can be responsible for a tremendous volume of crimes. The District of Columbia Police Department recently closed cases on 54 robberies after questioning one suspect with an estimated $60- to $70-a-day habit. Similar cases are reported in many other cities.

These cases only involve theft and larceny. It is, therefore, important to point out that addicts will engage in any and all crimes—prostitution, pimping, felonious assault, extortion, even murder to get money for a fix.

What, then can be done about this? In the first place, heroin does not grow in the United States. That means that it must be brought in from foreign countries. This is where the action must be taken: at the source. We can do an all-out job of suppression but we cannot stop narcotics by just beefing up our customs force. It is like trying to keep a lid on a boiling pot of water. We can keep it down, but in order to stop it, we must turn off the heat at the source. The Bureau of Narcotics and Dangerous Drugs reported to me that their agents seized in 1970 a total of 427 pounds of heroin, an increase, they cite, of 205 percent over 1969. But they estimate that 40 tons of illicit heroin enter our shores each year. Some persons in the Bureau of Narcotics and Dangerous Drugs have doubts it will ever be possible to stop the flow. The New York Police Department said last year that narcotics were pouring in so fast that even a record increase in arrests was not able to reduce an all-time high in supply. The commissioner on April 14, 1970 stated:

> We are never going to win this war. Every year we make more arrests. The customs people seize more junk but no one knowing anything about this thinks we are making headway.

Heroin arrests are doubling and tripling only because the police keep arresting and rearresting the same addicts. The courts have become revolving doors through which addicts pass on their way to prison where they pick up the criminal expertise they need to support their habits when they are dumped out on the streets again.

The fact of the matter is that as long as heroin is as readily available in the country as it is today, experimentation by a large number of young people and adults is inevitable. Once these people have become addicted, it is very difficult indeed to do much to help them. First, it is very hard for authorities to detect and locate most addicts. Second, only a few of the Nation's addicts get the chance to be treated at a rehabilitation center. Finally, of those who have been treated, only a few have been successfully rehabilitated.

A recent article in the Wall Street Journal proposes what I believe to be the major, most effective solution to the narcotics problem—elimination of poppies from production entirely, or at least, limiting production to small areas under strict national or international control. But, to quote the article directly:

> The obvious first objective in a rational effort to end narcotics is to deprive addicts of a supply. No heroin, no heroin addicts. The scale of the problem and the cost of treatment make long-term psychological treatment of re-conditioning impractical.
>
> Since the easiest way to attack the supply is to prevent poppies from being grown, it should be the unalterable moral and political position of the U.S. that no opium poppies should be grown anywhere. No moral government could disagree. If morphine is essential for medicinal purposes, it could be produced from plant to drug in compounds as controlled as Los Alamos, if necessary under multi-national sponsorship.

In attempting to cut down the production of opium in Turkey the United States has given grants of money to be spent converting farm lands, and retraining farmers to produce other products. In exchange for this financial assistance, Turkey was to cut back on the amount of land under cultivation in poppies. The New York Times reported in January that opium traffic in the black market and into the hands of pushers in the United States has been unaffected by the recent cutbacks in the number of Turkish provinces allowed to plant opium poppies. If there has been a cutback at all, it has been in the over-the-counter legal sale of opium. The Times article announced that agents purchasing opium legally were able to acquire last year less than one-half the amount purchased in 1969. According to the Times, experts contend that until opium growing is banned entirely, no control measures put into effect in Turkey can really stop the smugglers. Enforcement has proved relatively successful only in the areas where the crop has been banned entirely.

Turkey, of course, is not the only country involved. The sources and routes of illegal drugs crisscross the Middle East, Southeast Asia, Mexico, Peru, Bolivia, Eastern Europe, and the list seems endless.

The United States has made continuous and repeated entreaties to these

countries individually and through the United Nations to eliminate this scourge from the world. Only a few weeks ago, the United States announced the payment of $1 million of a $2 million pledge to the United Nations. This money, and that donated by other nations, is to be used for research, trafficking controls, police training, replacement of opium crops, education and rehabilitation of addicts. Why have not these entreaties and the financial assistance offered to the various offending countries worked? One entire article of a series of articles in the Christian Science Monitor last year cited various instances of money being made in high places by traffic in illicit narcotics—a sister of a middle-eastern head of state, the owner of a major hotel in Istanbul, shippers, cabinet officials. Americans are not unaware of instances of political power in high places limiting the effectiveness of curbs on illegal dealings. Some of the major traffickers have a more complex espionage network, and better trained and paid security personnel than the governments supposedly controlling their activities.

At one point, U.S. Government officials considered action as drastic as buying up the entire poppy crop in Turkey to keep it out of the hands of traffickers. This was not done, according to officials, because it was feared that other countries would begin producing opium.

This leaves us with a substantial reason for introducing legislation such as the bill pending in Congress which I have introduced. H.R. 6882 amends section 620 of the Foreign Assistance Act of 1961 to prohibit foreign assistance from being provided to foreign countries which do not act to prevent narcotic drugs from unlawfully entering the United States. But would this type of legislation put pressure on the producers of illicit narcotics? To a large degree, yes. The President's report on the foreign assistance program for fiscal 1969 stated that 87 percent of all economic aid funds were committed to 15 countries in fiscal 1969. In order of amount of aid received, these were Vietnam, India, Pakistan, Colombia, Indonesia, Laos, Korea, Nigeria, Turkey, Thailand, Chile, Ethiopia, Guyana, Panama, and Costa Rica. The list has not changed much since 1969. In fiscal 1971, four countries are slated to receive 71 percent of all U.S. military assistance: Korea, China, Greece, and Turkey.

Of these countries receiving substantial amounts of aid, Turkey is the most important source of illicit heroin brought into this country. Informed sources estimate that about 80 percent of all heroin reaching this country originates in Turkey. Other countries which also receive substantial aid and are sources or transit points for illicit drugs are Laos, Thailand, India, Iran, Afghanistan, Mexico, Lebanon, Bolivia, and Peru. Mexico is a primary source of a significant percentage of the heroin consumed by American addicts.

The bill I have introduced is a pragmatic one. It would empower the Comptroller General, as an agent of Congress, to make an annual determination by March 31 each year of the effectiveness of measures taken by each foreign government to prevent narcotics from unlawfully entering our country. Should the Comptroller General determine that a government has not undertaken appropriate steps, he would notify Congress, and after 90 days, foreign assistance will be terminated.

Following the determination by the Comptroller General, if the President finds that a government has subsequently taken sufficient measures or if the President felt that the overriding national interest requires that economic aid be continued, he could request that Congress waive the provisions of the act.

Additionally the President is authorized to utilize the various Federal agencies he may deem appropriate to help foreign governments to curb the flow of illicit narcotic drugs.

In each case, the legislative branch would make the final decision on whether or not to terminate foreign aid, instead of leaving this power to discretion of the President and the State Department. This makes for a core credible deterrent because if the authority were given to the President he would probably not, based on past experience, be inclined to use it.

As I said, the legislation I have introduced is pragmatic. Other remedies have not worked. It was not pragmatic to simply urge foreign governments to cut down on narcotic traffic. It was not pragmatic to beef up the police forces in the underdeveloped countries to stop narcotic production and smuggling. It is time that we now turn to protect the health and safety of our own people at home. We must let these foreign governments know that if cooperation from them is not forthcoming, then our foreign aid to them may not be forthcoming either. Only then will we see meaningful steps taken by these foreign governments to end this criminal and immoral trafficking in death and destruction.

Mr. Speaker, the following is the full text of the bill I have introduced:

H.R. 6882

A bill to amend section 620 of the Foreign Assistance Act of 1961 to prohibit foreign assistance from being provided to foreign countries which do not act to prevent narcotic drugs from unlawfully entering the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 620 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(v)(1) The Comptroller General of the United States shall review and determine annually (A) the effectiveness of measures being taken by each foreign country to prevent narcotic drugs, partially or completely produced or processed in such country, from unlawfully entering the United States, and (B) whether that country has undertaken appropriate measures to prevent any such narcotic drug from unlawfully entering the United States. Not later than March 31 of each year, the Comptroller General shall make a report to the Congress of his review and determinations for the preceding calendar year.

"(2) Except as otherwise provided under paragraph (3) of this subsection, ninety days after the making of any such report to the Congress, any foreign country with respect to which the Comptroller General has reported a determination under paragraph (1)(B) of this subsection, that such country has not undertaken appropriate measures to prevent any such narcotic drugs from unlawfully entering the United States, shall thereafter receive no further economic assistance from the United States.

"(3) If the President finds that a foreign country referred to under paragraph (2) of this subsection has undertaken, after the determination of the Comptroller General, appropriate measures to prevent such narcotic drugs from unlawfully entering the United States, or finds that the overriding national interest requires that economic aid be continued, he may ask Congress to waive the provisions of such paragraph, and if the Congress concurs, the provisions of such paragraph shall not apply to that country unless the provisions of such paragraph would apply further to that country as a result of a subsequent report and determination.

"(4) The President is authorized to utilize such agencies and facilities of the Federal Government as he may deem appropriate to assist foreign countries in their efforts to prevent the unlawful entry of narcotic drugs into the United States. The President shall keep the Congress fully and currently informed with respect to any action taken by him under this paragraph.

"(5) No provisions of this or any other law shall be construed to authorize the President to waive the provisions of this subsection.

"(6) For purposes of this subsection—

"(A) 'narcotic drugs' has the same meaning as given that term under section 4731 of the Internal Revenue Code of 1954; and

"(B) 'foreign assistance' means any tangible or intangible item provided by the United States Government (by means of gift, loan, sale, credit sale, guaranty, or any other means) under this or any other law to a foreign country, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, and agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country".

SEC. 2. The provisions of this Act shall be effective on the first July 1 occurring on or after the date of enactment of this Act.

NEW BUSINESS DEPRECIATION RULES

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

Mr. STEIGER of Arizona. Mr. Speaker, the Treasury's proposed, "new business depreciation rules" will liberalize the depreciation allowances of business by allowing depreciation lives not more than 20 percent shorter or longer than present guidelines, eliminating the unworkable "reserve ratio test" and allowing a full year's depreciation on assets installed during the first half of the year. They are commendable for several reasons. Briefly, they will contribute toward the reduction of domestic unemployment, promote economic growth, and increase the ability of U.S. business to compete abroad.

Most of us will agree these are desirable goals but some have doubts as to the ability of the Treasury's proposal—formally known as the asset depreciation range system—to effectively contribute toward the achievement of these ends. I think a clear understanding of how tax depreciation works will go a long way toward winning support for this proposal.

Assuming a company has taxable income, an increase in its tax depreciation will generate cash. This can be used to replace existing facilities and for business expansion, business activity that might not take place if a company had to borrow at unfavorable interest rates. The point to be noted here is that it is increased tax depreciation that will add impetus to a company's plans for replacement of obsolete assets and installation of productive facilities to take advantage of new technologies.

It is important to understand that a higher depreciation charge does not necessarily reduce a company's income. Commonly, the accelerated methods of depreciation calculation used on tax returns are not used for financial accounting purposes, therefore, greater depreciation is recorded on tax returns than is reflected on the company's books. Tax savings resulting from accelerated tax depreciation are credited to a reserve for deferred taxes. In practice, amounts carried in reserve to be payed in future years will not be called upon so long as the company continues to increase its investments in fixed assets.

Depreciation liberation as provided for in the "new business depreciation rules" would be neither a giveaway to business nor a massive stimulant to the economy. It would be a small but significant step along the path of orderly economic expansion.

ASSET DEPRECIATION RANGE

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

Mr. CLEVELAND. Mr. Speaker, the need to reform our tax laws governing depreciation deductions has become increasingly apparent in recent years. Since the investment tax credit was repealed the rate of increase in productivity has dropped sharply, so that it is now alarmingly low. In fact, over the last 4 years it has averaged 1.7 percent. This is too low to sustain the increases in the Nation's standard of living which we have traditionally maintained. It is also too low to enable the United States to compete successfully in international trade. The result is that imports are flooding the country, and pay increases are not being absorbed in productivity increases but rather in inflation.

The President's Task Force on Business Taxation, which explored this situation in depth, found that cost recovery allowances in the United States are lower in the United States than in any other major industrialized nation. The result of our policy, as compared to the more liberal policies of other countries, is clearly demonstrated in the dismally low increase in productivity per worker in the United States. If we do not reverse this present trend, the standard of living of all in this country is threatened, as is ultimately the job of all who can be displaced by imports.

The Nixon administration acts proposed new depreciation guidelines would be a good move in the right direction, and would help remedy a bad situation. In addition to encouraging greater capital investment and a resulting increase in productivity, the asset depreciation range—ADR—proposal would have the advantage of simplifying somewhat the present system. Under it, it will be possible to make depreciation schedules more nearly comply with actual depreciation of assets without as much complicated and wasteful haggling with the Internal Revenue Service. This would be particularly true with elimination of the complicated reserve ratio test.

I would personally prefer a more far-reaching reform of our depreciation system. There should be a new orientation toward encouraging the rate of capital investment this country needs to enable it to increase its productivity and standard of living without causing inflation or an imbalance in international trade. To accomplish this I would favor giving businesses a wide latitude in this area, to the extent that they could practically set their own depreciation schedules. We need to simplify our tax system and wherever possible remove areas where the IRS and the taxpayers engage in unnecessary warfare. Though it is doubtful the ADR proposal is enough to accomplish all we might wish, it is a sound step in the right direction.

I laud the efforts of Congressman JOHN B. ANDERSON in obtaining his special order, and in taking the lead in rallying support for the President's proposed reform of the depreciation schedules. This is just one of a number of areas where the administration has moved to make needed reforms. But as with the others, the response of many has been criticism, nitpicking, and negativism. In this area, the administration deserves praise for its efforts. So does JOHN ANDERSON, who has taken the initiative to demonstrate that this reform of depreciation has the support of Congress and of the Nation. He has ably taken charge of the situation and deserves credit for it.

To give a more detailed explanation of my reasons for supporting the President on this proposal, I enclose herewith a background statement prepared by the House Republican conference. This statement is well researched, well documented, and well reasoned. It avoids the partisanship which has prompted some of the attacks on the proposal, and deserves careful reading.

The background statement follows:

FACT SHEET ON THE PROPOSED DEPRECIATION REGULATIONS: ASSET DEPRECIATION RANGE—ADR

I. WHAT ADR WOULD DO

(A) Provide a choice to taxpayers to take as a reasonable allowance for depreciation an amount based on a period of years between 20% above and 20% below the guideline lives established by Revenue Procedure 62–21 in 1962. For example, the guideline life for the broad class of machinery used in the manufacture of lumber, wood products and furniture was pegged at 10 years in the 1962 regulations. Under ADR a taxpayer could pick a time period for depreciation between 8 and 12 years as a matter of right. The only requirements are that once an ADR period has been selected it cannot be changed during the life of the asset, and that if the ADR system is chosen during any tax year it must be applied to all assets put into service by the firm. ADR would not apply to structures or real estate improvements or to public utilities like electric, water, gas and telephones. It would apply only to assets put into service after December 31, 1970.

(B) Terminate the "reserve ratio test" established by the Treasury in 1962 for taxable years after December 31, 1970. This was a test designed to insure that shortened tax lives chosen by taxpayers conformed to actual service lives, but proved so inequitable and administratively cumbersome that it was never fully put into effect.

(C) Allow taxpayers electing the ADR system a choice of either the current half-year convention in which all assets placed in service during a taxable year are considered placed in service at mid-year for depreciation purposes, or a new modified first year convention in which assets acquired during the first half of the year would be treated as acquired at the first of the year and assets acquired during the second half of the year would be treated as acquired at mid-year. The only restriction is that the method chosen must be consistently applied to all assets put into service in any taxable year.

II. WHY ADR IS NEEDED

(A) *To spur productivity growth through modernization of machinery and equipment:*

(1) In the past four years the productivity growth rate which averaged a little over 3% in the period since World War II dropped to a dismal 1.7%. Since compensation per man hour rose at an annual rate of 7% during this same four year period, the average increase in unit labor costs was 5.3%. This unprecedented increase in unit labor costs was a primary contributor to the inflationary surge of the past four years and consequently to the need for the restrictive fiscal and monetary policies that have resulted in the current economic slack and unemployment.

Since increases in real wages were almost negligible during the years of inflation, it is clear that American workers can only obtain the higher living standards they desire through wage increases that can be absorbed by high productivity growth rates. The alternative is the resumption of rising unit labor costs, higher prices, and an endless treadmill of inflation. The general public will also benefit from high productivity growth because it will make possible rising wages without the inflationary pressures that necessitate restrictive economic policies.

(2) A. 0.1% increase in the annual productivity growth rate translates into $1 billion of GNP in 1971. Assuming normal economic growth, this 0.1% increase would be $15 billion in 1980 or $60 billion of GNP for the entire decade. An increase of 0.4% in the productivity growth rate would mean $250 billion in additional GNP over the coming decade. These increases would provide both advances in real income for all Americans and significantly enlarged revenues for the Federal Treasury.

(B) *To halt the recent retrogression in the modernization of machinery and equipment:*

(1) As a result of the depreciation liberalization of 1962, the investment tax credit and the period of stable economic growth during the mid 1960's, American business made tremendous strides in reducing the percentage of obsolete equipment. According to the authoritative McGraw-Hill survey, the percentage of obsolete manufacturing machinery and equipment was reduced from 20% in 1962 to 14% in 1968, a 30% drop. However, the termination of the investment credit, high-levels of inflation and depressed profits have led to a reversal of this trend since then. Between 1968 and 1970, the percentage of outmoded manufacturing equipment increased over 7%. Whereas between 1962 and 1968 the percentage of obsolete equipment dropped for 12 or 13 categories of manufacturing industries, in the later period it increased in 11 of 13 categories as demonstrated by the following table:

[In percent]

Industry	Change 1962–68	Change 1968–70
Iron and steel	−3	+2
Machinery	−7	−1
Electrical machinery	−3	+4
Autos, trucks, parts	−3	+1
Aerospace	−6	+6
Other transportation equipment	−14	+6
Fabricated metals	−8	−6
Stone, glass, clay	−5	+1
Chemicals	+2	+5
Rubber	−6	+3
Petroleum and coal	−5	+5
Food and beverages	−9	+7
Textiles	−12	+5

Note: Minus means reduction in percentage of obsolete machinery; plus means increase.

Source: "How Modern is American Industry?" Economics Department, McGraw-Hill Publications, Dec. 6, 1968 and Nov. 27, 1970.

(C) *To bring the American business taxation structure into line with that of our industrial competitors and thereby help improve the balance of trade:*

(1) There has been an alarming drop in the American balance of trade in recent years. For the period 1962–67, the average annual trade surplus was nearly $5 billion; between 1968–70 it declined dramatically to $1.5 billion, a 70% decrease.

These figures mean that American goods are becoming increasingly less competitive in both foreign and our own markets. In 1961, the U.S. exported 7½ times the amount of machinery that it imported; by 1969, it exported only a little over 2½ times the amount of machinery imported. In this period, imports expanded by 470% while exports only increased 75%. In such categories as textile and leather machinery we actually switched from being a net exporter to being a net importer.

(2) While many factors contribute to this decline in competitiveness, an important one is the significantly less favorable treatment afforded American business income relative to that of our competitors.

The following chart is taken from the Report of the President's Task Force on Business Taxation and indicates the considerably shorter cost recovery period allowed taxpayers in most other industrial nations. These shorter capital cost recovery periods both increase the cash flow of firms and hence the capacity to invest, and lower the cost of capital and hence its profitability—the other important factor affecting investment decisions. By shortening recovery periods, ADR would bring the American tax structure more into line with those of other industrial nations and make it possible for businessmen to replace economically and technologically obsolete machinery on a more rapid basis:

Country	Representative cost recovery period	Aggregate cost recovery allowance (percentage of cost of asset) 1st taxable year	1st 3 taxable years	1st 7 taxable years
Belgium	10	20.0	48.8	89.0
Canada	10	20.0	48.8	79.0
France	8	31.3	67.5	94.9
Italy	6	20.0	65.0	100.0
Japan	11	34.5	56.9	81.4
Luxembourg	10	28.0	60.4	101.9
Netherlands	5	10.0	42.4	77.1
Sweden	5	30.0	65.7	100.0
Switzerland	6⅔	15.0	58.4	90.0
United Kingdom	12	57.8	78.1	102.1
Western Germany	9	16.7	49.6	88.8
United States	13	7.7	33.9	66.1

(D) *To stimulate a higher rate of capital formation:*

(1) If the United States is to enjoy non-inflationary growth through improved productivity and greater competitiveness in international markets, we will have to considerably step up our rate of re-investment of GNP. By liberalizing tax treatment of business income, ADR will make a direct contribution to the attainment of this objective.

Currently, of the major industrial nations the United States reinvests the lowest portion of its GNP as the following table demonstrates:

Country	GNP (1967–68) Percent reinvested in fixed assets	Percent reinvested in machinery and equipment
United States	16.6	6.9
United Kingdom	18.2	
Italy	19.4	
Germany	23.1	10.8
France	24.9	8.9
Japan	34.0	25.1

Source: OECD Observer, February 1970.

(E) *Partially compensate for effects of inflation:*

(1) Current capital recovery allowances are based on the historic cost of the asset. Because of this, depreciation allowances represent a decreasing proportion of the cost of replacing facilities as their prices rise. In the last decade alone, the official price index rose 20%.

In 1940, for example, the cost of a 55 ton railroad car was about $2,500. In 1963, the price of the same car stood at $9,000. This means that over two thirds of the cost of replacement, a legitimate cost of doing business, would have had to have been taken out of profits on which tax had already been paid. Similarly a certain type of blast furnace that sold for $8 million in 1945 would have cost $26 million in 1963. Again the difference would have had to have been made up out of taxable profits. The obvious implication is that underdepreciation due to inflation results in the taxation of "phantom profits" or a levy on capital. One leading expert on depreciation, George Terborgh, stated the problem succinctly: "Taxation of capital consumption is not only inequitable (but) has one certain effect: the retardation of economic progress through curtailment of the funds available to industry for capital investment."

(2) The President's Task Force on Business Taxation estimated that this underdepreciation due to inflation amounts to over $7 billion annually for all non-financial corporations and to almost $10 billion annually if financial and unincorporated businesses are incuded. By shortening the cost recovery period, ADR provides considerable relief from the costs of chronic inflation. The acceleration of deductions provides that more deductions can be taken before any particular level of inflation has occurred and the acceleration advantage itself can partially offset the inflationary erosion by increasing the present value of the deduction.

(F) *To improve investment opportunities for small and medium business:*

(1) While the ADR system is being criticized by opponents as an unwarranted windfall to big business, the relative benefits probably are greater for small and medium sized businesses. This is because these firms are least able to go to the capital market for *external funds* to finance investment. Anything, therefore, that increases the flow of *internal funds* improves considerably the ability of these firms to invest. Since the major source of internal funds has increasingly become depreciation allowances—in 1946 depreciation accounted for 36% of internal funds of non-financial corporations and in 1969 for 76%—liberalization of depreciation allowances will have a particularly favorable impact on the ability of small and medium sized firms to expand investments.

(G) *To help meet the costs of environmental restoration:*

(1) The emerging national policy requiring the incorporation of environmental damage costs in product prices will force business firms to make heavy capital expenditures to develop and install pollution control technology. Production processes which have been considered acceptable in the past will suddenly become intolerable and many firms will be required to replace assets far sooner than imagined. But shortening capital cost recovery periods, ADA will assist in easing the transition into new technologies.

III. DOES THE TREASURY HAVE THE LEGAL AUTHORITY TO ESTABLISH ADR?

(1) In the principal legal paper relied on by the critics, Professor Bittker of Yale states: I do not recall any action by the Treasury in prior years . . . with such momentous revenue consequences." This is simply a misinterpretation of the facts. While the first year loss to the Treasury would be substantial—$2.8 billion in 1971—the critics fail to note that a good part of the initial losses stem not from the shortened guideline lives but from the modified first year convention. In fact, only $1.0 billion or 36% of the expected first year loss stems from the shortened guidelines. The remainder stem from the modified first year convention—a change that not a single critic has challenged on legal grounds.

If we compare the loss to the Treasury resulting from the shortened guidelines lives under ADR with the loss that resulted from the promulgation of Revenue Procedure 62–21 by President Kennedy as a percentage of the corporate taxes, we see that, relatively, the loss in 1962 was over *twice as large* as under ADR. Specifically, the first year loss under R.P. 62–21 was 7.5% of corporate taxes while the loss from the shortened guidelines under ADR is expected to be about 3.6% of corporate taxes.

(2) Professor Bittker charges that the sweeping objectives of the ADR system as announced by the President and Treasury, e.g. to promote economic growth, create jobs, strengthen our trade position, etc., constitute basic fiscal and economic policy not merely "interpretative regulations" for which the Treasury has authority. However, in announcing the new depreciation guidelines in 1962, President Kennedy suggested equally sweeping objectives: "By encouraging American business to replace its machinery more rapidly, we hope to make American products more competitive, to step up our rate of recovery and growth and to provide expanded job opportunities for all American workers."

(3) Critics such as Senator Bayh charge that ADR abandons the crucial "useful life concept" and that "Congress has established ample precedent—if any is needed—for the principal that any abandonment of the concept of useful life requires legislative action." The fundamental flaw of this argument is that "useful life" has had no consistent, enduring meaning over the last fifty years, but has undergone a long series of changes. Prior to 1931, the taxpayer had wide leeway as the amount of depreciation he could write off each year. As one scholar has noted, "Depreciation rates . . . during the first 20 years . . . were generally based on estimated lives which turned out to be considerably shorter than the actual lives . . . of the assets being depreciated."

In 1934, with Treasury Decision 4422, the interpretation of "useful life" swung in the other direction toward a rigid notion of the useful *physical* life of an asset. In 1956 the Treasury promulgated new rulings which altered the meaning of useful life again to mean "useful life of an asset in the business." Finally, in 1962, assets were grouped into less than 100 broad guideline lives categories (compared to the more than 5,000 categories under the previous regulation—

Bulletin "F"). This switch to broad asset groupings permitted a substantial deviation between actual and guideline lives for many individual assets.) The new guidelines also were made available during the first three years as a matter of right to the taxpayer. This meant that the taxpayer no longer had to prove to the IRS that his tax life conformed with his actual service life. To be sure, after 1965, the reserve ratio test was supposed to replace the traditional obligation to justify the depreciation period, but it never really became operative.

In light of this, the critics who charge that ADR departs from the "useful life" concept might be asked "which version?"

(4) Contrary to the assertions of the critics there is a long history of major administrative changes by the Treasury concerning depreciation allowances. In 1934, the Ways and Means Committee proposed an across-the-board 25% reduction in depreciation periods in order to increase revenues and eliminate alleged abuses of the liberal depreciation practices developed during the 1920's. However, Secretary of the Treasury Morgenthau argued against Congressional action on the grounds that "the matter should be rested on *proper administration* rather than on *legislative action.*" He then proceeded to increase depreciation periods by about 25% administratively, with the full support and acquiescence of the committee.

In 1954, the Internal Revenue bill originally passed by the House contained a section providing that IRS could not disturb a taxpayer's depreciation rate so long as it did not differ by 10% from what the IRS determined to be correct. Since in the previous year the Treasury Department had provided for essentially the same thing in a set of new regulations, the Senate Finance Committee decided the House provision was not necessary and left the change to rest solely on administrative authority.

Finally, the reductions in guideline lives in 1962 were in many instances two or three times greater than the modest 20% reduction proposed by the Nixon Administration. The guideline life for textile machinery, for example, was reduced by 44%, for airplane manufacturing equipment the reduction was 47%, and for baking equipment it was 66%. Needless to say, ADR critics like Hubert Humphrey thought these 1962 changes to be fully "within the authority of the present tax law."

DEADLINE ON A ROCKING CHAIR

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, one of the veteran and colorful newspaper editors of Florida is Mr. Malcolm B. Johnson who is now the editor of the Florida (Tallahassee) Democrat, one of the Knight newspapers.

Malcolm Johnson has had a long and distinguished career as a newspaper editor. A self-proclaimed conservative, he has summoned and vented his eloquent wrath upon many a cause and politician whom he considered too far out or advocating too much pie-in-the-sky or, for that matter, championing programs he thought unrealistic or not in the public interest. I have been the victim of some of his disapproval, but through all the years, whether he opposed me or supported me, Malcolm Johnson and I have respected each other and we have been friends.

Malcolm Johnson has been a man of impeccable integrity and intellect as well as moral honesty through the years. He has been fair and he has been consistent. I am pleased that he has found some courses pursued by me in recent years which he could conscientiously approve. Malcolm Johnson measures up to the highest standards of a newspaper editor—able, honest, objective, courageous—dedicated to his great profession and to his responsibilities as well as to his philosophy of the public interest.

I am very pleased to have read a very interesting and informative article in the Miami Herald of April 18 about Malcolm Johnson by a very able writer of the Herald, Mr. Nixon Smiley. I ask, Mr. Speaker, that Mr. Smiley's article about Mr. Malcolm Johnson appear in the RECORD immediately following my remarks:

[From the Tropic, Apr. 18, 1971]

DEADLINE ON A ROCKING CHAIR

(By Nixon Smiley)

(Nixon Smiley is a Herald Staff Writer and a frequent contributor to TROPIC)

Each morning, with less than 60 minutes to deadline, Malcolm B. Johnson sits down to write one of Florida's most outspoken and influential opinion columns. It's all part of the day's routine for the staunch Independent who runs a newspaper called the "Democrat".

Malcolm B. Johnson may be the only editor in the United States who directs the operations of a daily newspaper—the *Tallahassee Democrat*—from a rocking chair.

And what could be more fitting than to be a rocking chair editor on a paper named *Tallahassee Democrat* that is located on Colonial Drive? Moreover, Johnson's office, which he designed himself, is of "Tallahassee colonial" architecture, like the newspaper building, and is decorated with authentic antique colonial future.

The rocking chair, which dominates the office, fits the scene, and Johnson fits the chair. A suave, relaxed, bushy-browed man of enormous bulk, Johnson has no idea how much he weighs above 200 and doesn't care.

Some readers among the *Tallahassee Democrat's* 35,000 subscribers will tell you that he fits the rocking chair mentally. This feeling is particularly shared by the young, who look upon him as an old mossback. And the more radical young may think of him as more than a conservative—as a reactionary. But there are hard-hats who look upon Johnson as "too liberal" for their stomachs.

Johnson, whose image has been created by his daily column in the *Democrat*, "I Declare," couldn't be more pleased about the mixed attitude toward him among his readers. Neither a Democrat nor a Republican, but a hard-core Independent, he writes what he thinks and what he believes.

He was one of Governor Askew's enthusiastic supporters because he admired him as a person and as a member of the legislature. But Johnson discusses Askew's tax program with a realism that has made some of the governor's supporters wonder if the editor hasn't already become disenchanted with him.

"On the contrary," said Johnson. "I thought that Askew would make a good governor, and now, I think he may make a better governor than I had figured he would. But his tax program is going to have some tough going and I don't see that anything would be gained by ignoring this."

Johnson, who has earned a reputation for being a conservationist, isn't adverse to taking after the conservationists' hides when he disagrees with them. He worries about the rapidly growing population of Florida and what it's likely to do to this state. And the way he takes after the developers and chamber of commerce thinking might give a hard-hat cause to worry that Johnson next will be espousing the cause of the Weathermen.

Instead, he confuses everyone by writing a column supporting his old friend Harrold Carswell and condemning the judge's critics who "done him wrong." Johnson thinks the nation missed an opportunity to get a good man on the U.S. Supreme Court bench when Carswell's appointment was turned down.

Despite the controversial image of its editor, the *Tallahassee Democrat* has a remarkable record in its recommendation of candidates for public office. Last November the *Democrat* endorsed three unknown Republicans, two of whom were running against virtually unbeatable incumbents—and all three won. As it now stands, every elected official in Leon County on every level had the *Democrat's* endorsement.

Then, to top this off, Tallahassee in February elected a Negro and a professional conservationist to the city commission, both of whom had the *Democrat's* endorsement. The Negro, James R. Ford, a teacher, and Loring Lovell, head of Conservation 70s, ran against two longtime members of the commission, who, under normal circumstances would have been certain winners.

But the *Tallahassee Democrat* backed Ford and Lovell, and Johnson, in low-key editorials, explained why the paper thought these were better candidates.

Johnson, 57, started out at the University of Florida to become a medical doctor, but decided after completing his pre-med requirements to go into journalism.

"I had a roommate who was studying journalism, and what he was doing seemed infinitely more interesting than what I was doing—so I switched to a journalism major," said Johnson.

He began his journalism career in 1935 on the *Jacksonville Journal* at a salary of $5 a week. It was during the Depression and the editor was forbidden to add anyone to his staff, so he paid Johnson's salary out of the postage stamp fund. The following year Johnson took a leave of absence to do publicity for Raleigh Petteway, who ran for governor against Fred P. Cone.

"It was a great experience," said Johnson. "I really learned the state, and I acquired a love for writing about politics that has remained with me ever since."

Johnson wound up working for the *Tallahassee Democrat* in 1937, but two years later shifted to the Associated Press. After a year in the AP's Jacksonville bureau, he was sent back to Tallahassee, where he has been ever since. After 14 years with the AP, Johnson went to the *Tallahassee Democrat* in 1954 as its editor.

Knight Newspapers, which purchased the *Tallahassee Democrat* in 1965, made no changes in Johnson's status, but sent William M. Phillips to Tallahassee to serve under him as managing editor.

Phillips thought that the *Democrat* needed a column, the kind of column he knew Johnson could write.

"Malcolm not only knew Florida politics," said Phillips five years later, "but he knew more politicians than any other newspaperman in Florida. And he was something of a personality himself. I couldn't see how there was any way for him to fail as a columnist."

Johnson agreed, provided Phillips would let him get a few columns ahead before he began running them.

"I got three ahead—and I've never even been one column ahead since," said Johnson. "I've always been a deadline writer—waiting until the very last before I could force myself to sit down to a typewriter."

The *Democrat*, being an afternoon newspaper, has a 9:15 a.m. deadline for Johnson's column. As Johnson will tell you, any sensible writer would write the column the day before. But Johnson waits until an hour before deadline to begin writing, finishing the last line on deadline and then quickly reading over the copy while a nervous copy

editor stands over him waiting to grab the column and run.

Johnson writes about any and everything. When he learned that the St. Joe Paper Co. was planning to put heavy choppers into cut-over woods before planting the area in pines, Johnson realized that the wild azaleas growing there would be done-in. So he called Ed Ball and the heavy equipment was kept out of the woods until Johnson, through his column, could excite enough people to go into the woods, dig up the azaleas and remove them. The garden clubs, the Audubon Society and the City of Tallahassee Park Department got into the digging and transplanting.

He has talked the paper companies into preserving certain marginal areas of the woods where there are unusually fine stands of rare native trees or understory shrubs.

"The paper companies realize that conservation is today very important, and that it is good public relations to practice it," said Johnson.

Through his columns Johnson has had as many as 1,500 out on Saturdays and Sundays to transplant rare plants from the route being cleared for Interstate 10 highway which will pass near Tallahassee.

Johnson is a man of many hobbies, but most of them are related to nature—to plants and trees or wildlife. He and his wife, Dorothy, who is an expert on antiques, live in a house built to look old and mellow in its wooded location on North Meridian Road.

Johnson has a woodworking shop, but he also has the tools for working silver and pewter, and he wants to add bookbinding tools. He has tried painting, which both his wife and his daughter, Donna (now Mrs. Sam H. Moorer Jr.), do with considerable more ability. "My ego couldn't stand the comparison," said Johnson.

You can't tell where Johnson's hobbies end and where work begins, for he seems to go about his work on the *Tallahassee Democrat* as though it were a hobby. His office has the atmosphere a hobbyist likes to be associated with—the unusual pictures on the walls, the solid old antique desk with its massive legs pushed against the wall.

Since the retirement of Jerry Carter, Johnson is left as the oldest person, in years of service, still active in the Tallahassee political scene. Not even Chief Justice B. K. Roberts, who has been a member of the Florida Supreme Court since 1949, goes back as far as Johnson.

Johnson is a Cracker by adoption. Born in Wardner, Idaho, in 1913, he was taken by his parents to Alberta, Canada, at an early age to live on a homestead in that frigid area. In 1925, during the Florida boom, his father, James B. Johnson, decided to visit Miami, buying a round-trip ticket.

In Jacksonville, however, there was a long wait before the next train left for Miami, and the elder Johnson rented a taxi and drove about to look the place over. He never got farther south than Jacksonville. Instead of going on to Miami, he wired his wife to sell everything in Canada and bring the family to Jacksonville.

A GENERATION GAP?

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, it is my privilege to call to the attention of my colleagues an outstanding speech by a splendid young man from my State on the subject of student protests.

This fine young man, Douglas K. Silvis, was a student in the high school in Fort Lauderdale, Fla., where my sister has been a dedicated teacher for many years. He is now the president of the student government at Emory University in Atlanta, where I am sure he is making the same kind of outstanding record he made in high school.

Mr. Silvis, in a speech before the Greater Fort Lauderdale Chamber of Commerce, discussed the question of campus unrest. His remarks were entitled "Student Protest: A Generation Gap?"

In this stirring talk, this knowledgeable young man pointed out that there are real problems on our campuses which must be taken seriously by all of those who value education and the future.

The audience received Mr. Silvis' remarks with a standing ovation. I believe they deserve to be read widely and I am, therefore, very proud to include them at this point in the CONGRESSIONAL RECORD:

GENERATION GAP?

I understand that many good speakers really detest having to give breakfast speeches when everyone is groggy and unresponsive, including themselves. But never having been accused of being a good speaker, it doesn't bother me in the least. In fact, having just driven in from Atlanta after my last final exam, I'm probably more in danger of falling asleep than you are.

Actually, I think I'm going to enjoy myself this morning. At school, as president of the student body, I often find myself serving in the capacity of a devil's advocate. When I face students, I find I'm defending rationality and responsibility—the establishment views held by the school administration and external forces—as I try to channel students' energies into directions which will lead to political efficacy.

On the other hand, when I go before school administrators—who naturally, having seen me defend them before the students, they tend to see me as an ally or as "one of them" (which is, of course, the worst thing that can happen to me if I am to maintain rapport and confidence as a so-called student leader), I have to bend over backward to point out the fact that students do not protest simply for lack of entertainment, but there exist real problems which must be taken seriously on our campuses.

This morning, I am thankful for the privilege of having to take neither the radical nor the establishment position to the exclusion of the other. It's good to be home for Christmas and to face a friendly audience. Since you are friendly, and since I know many of you, I'd like to ask you a favor—to attempt to overlook the pluses and minuses of my presentation. For some of the things I have to say could be said by others, with more conviction. But I would like to expose part of you, perhaps for the first time, to certain of the ideas and arguments of student protestors. So what I am asking is that you simply engage in mental exercise of weighing the validity of arguments and ideas, comparing, attitudes I may present with your own, and then concluding for yourself whether or not today's youth—even the protestors, who are a distinct minority—are really so blameworthy as many would like to make them, and if they are, who or what has made them so and what must be done now for children growing up tomorrow?

But remember—for this exercise, impartiality is the key. If necessary, be ready to conclude as did Pogo in a recent Sunday comic strip, when he commented: "We have met the enemy, . . . and they are us."

SEARCH FOR TRUTH

Much of the criticism by today's youth is against the basic dishonesty of our modern society. The most prominent criticism of our government has not been that we are involved in protecting American interests in Viet Nam and around the world, but rather that we do it under the guise of compassionately helping other countries and their people. Ever since World War II and the Marshall Plan, Americans have busily embarked on a foreign aid program which they have continually patted themselves on the back for as having been an evidence of their compassion and nature as a "Christian Nation." But this kind of thinking is thoroughly contradictory. The Bible tells us that a Christian Nation will only exist after the second coming of Christ, and as for compassion, well, anyone who knows economics realizes that whenever we give another country's economy a shot in the arm it is basically for one of two reasons: either (1) to keep up the value of their currency so that the balance of world trade isn't upset, which of course effects America or, (2) to keep that country happy with a pro-American regime.

We wonder why even the recipients of our aid end up hating us, calling us "The Ugly American," but it becomes fairly evident to students when they study the reactions of other proud nations to our own condescending attitude. Other countries could save a lot more face if we honestly admitted both to their people and to ours that our foreign aid has our own self-interests at heart. Instead, by perpetuating the myth of the great benefactor—the United States—as many students see it, we are perpetuating 3 crimes (1) we convince other nations that we are either arrogant or stupid, neither of which gains us friends; (2) we contradict the standard of honesty supposedly held high in America; and (3) we succeed in duping many Americans into thinking that such a "Christian" nation must obviously be great and therefore anyone who suggests any changes in it is not only wrong but is also a Communist.

But even CIA activities, in helping to overthrow anti-American regimes in foreign nations, would never have been subject to such strong criticism by students were it not for the facts that first, we publicly abhor such intervention when initiated by Communistic "subversion" and second, we only step in to aid nations to be "Democratic" when the regime in power is not pro-American. After all, most of us realize it's necessary. Everyone knows it goes on. The movies and television portray it—but neither Democrats nor Republicans will admit it.

By the same token, another major criticism has been that we should fight a hot war in Southeast Asia without going first through the channels of congressional declaration. Of course, this is to me, personally, more easily justified than our foreign aid attitude, because formal declaration of war results in formal alignments by other nations, treaties being entered into, and other concomitant risks that this involves, but it is, nevertheless, an example of the lack of complete truthfulness exemplified by the nation and sometimes jumped on by students.

Still, our foreign policy, our foreign aid, and especially the war—(because of its direct effect or young people)—is only a common rallying point—another "symbolic act" if you will—it is only a sympton of our problem. As we all know, for we all can observe the hypocrisy in our home institutions. Even when we attend church, we ask everyone we meet how they are doing, but if they should happen to reply with some heartfelt problem, how many of us would really respond with love and concern? The best we might muster, would probably be a flippant, "Oh, that's too bad", or "I'm sorry to hear that"—and sometimes we might even be so preoccupied and perfunctory as to say "Good, glad to hear it."

One of the most flagrant examples of hypocrisy I ever experienced occurred when

my honor society sponsor in high school refused to speak to me after the results of a cheating survey I'd administered were published in the paper.

The crux of this story is not so much now, as it was then, that students cheated and that perhaps our values and school grading systems needed re-evaluation, but rather the response of my honor society sponsor who refused to speak to me for the rest of the year because someone might have figured out that it was at our high school and in her honor society that there were imperfections. Rather than admitting a problem and seeking a cure, she simply was angry that someone had dared to admit any problem existed. This is one aspect of what students are now protesting today, and although I don't personally believe in the "demonstration" approach, I must still support their freedom of expression so long as it does not destroy or infringe unduly upon the rights of others, as unfortunately it sometimes does.

I think it speaks well for the youth of today, however, and should tend to give you all more confidence in my generation, that they still do respect truth and principle. Of course, in that, as in most other things, I'm sure we reflect some parental influence. Unfortunately, as you in business know, just as very few salesmen will admit for the sake of honesty the inferiority of their company's product, very few students practice the total honesty that they clamor for either. If we did, we'd admit more often that we weren't sure we had all the answers and we wouldn't go to such extremes to convince others they should listen to us.

But students and youth throughout the world today cannot be blamed for feeling a sense of urgency. We feel the pressure of the possibility of annihilation not only from the bomb, but also from pollution and the population explosion. Even in less advanced nations and continents there is turmoil and protest. In Africa and South America, education has fostered frustration commonly referred to as "the revolution of rising expectations." They are in the stage in which they see wealth and modernization in other countries or in their next door neighbors, and they are impatient to achieve similar advances. In the United States, conditions exist in certain geographical areas and among certain classes of people that are not too different, some of these areas spawn children who somehow become students—why they protest is obvious.

You ask, then, why are children of middle class and upper class homes also causing confrontation? Well, besides the fear of the bomb, pollution, and the population explosion, there is education itself. For years, colleges and universities have been accused of being ivory tower institutions, insulated from the realities of life. Businessmen have been known to complain that students were not prepared for reality by their college educations. But, since the early 1960's there has been more and more emphasis on a kind of relevance which has brought with it a new activism not seen since the 30's.

Many people today, who are most concerned with American tradition, forget or simply are unaware that the intercollegiate socialist alliance of the 1920's had the support of a greater percent of the student population than does the SDS today. They don't think about the fact that in the 20's there were campus protests vs—ROTC, denunciations of the curriculum for its support of the "established system", and attacks on America's "Imperialistic" foreign policy.

Of course, the number of students in college was much smaller then and there was no nation-wide TV coverage to facilitate the spread of protests, but polls showed that in the 1930's, 25% of college students were at least sympathetic to socialism and almost 40% said they would refuse to take part in war.

As the Scranton commission has noted, "It is not so much the unrest of the past half dozen years that is exceptional, as it is the quiet of the twenty years which preceded them." From the early 1940's to the early 1960's American universities and colleges were uncharacteristically calm. . . . But as the tensions of the cold war lessened, students felt less obligated to defend Western democracy and more free to take a critical look at their own society again."

And now having come down out of its ivory tower to find that it is threatened by possible annihilation, having found that we can send men to the moon but that thousands of Americans still go hungry—having seen classmates drafted, not to return, and not really sure that their efforts have saved democracy for a people so uneducated that they may not know what to do with democracy if they had it—having seen governors of free and democratic states stand in front of their restaurants with a shotgun or their state schools with the malitia to keep out Blacks—having seen John and Robert Kennedy and Martin Luther King assasinated, the first two on nationwide TV, the university coming down out of its ivory tower produces a small segment of students and professors who feel a sufficient sense of urgency to wake up the "silent generation" that has gone before them. That generation, they feel, in spite of all their accomplishments, which they admit, simply cannot sit back on its laurels like little Jack Horner who contentedly sat in his corner saying "What a good boy am I."

On top of all this, students are told not to rock the boat but to realize they are just part of a cycle in history—to see that democracy and the United States offer them a better life than has ever been offered before, and just enjoy it. In spite of the fact that they face annihilation possibilities from at least 3 sides most students can see apathetically squeaking through with a narrow victory over great odds as somebody else solves the problems—until they go a step further, with the idea that history repeats itself—and look at the democracy of Ancient Rome.

I read not long ago that five reasons commonly agreed upon by historians as major contributors to the fall of the Roman Empire were the following:

1. The breakdown of the family and the rapid increase of divorce.

2. The spiraling rise of taxes and extravagant spending.

3. The mounting craze for pleasure and the brutalization of sports.

4. The expanding production of armaments to fight ever-increasing threats of enemy attacks—when the real enemy was the decay of the society from within.

And

5. The decay of religion into myriad and confusing forms, leaving the people without a uniform guide.

Sound familiar? While our nation shows all five of these symptoms, is it any wonder that students searching for reality come up with some way-out ideas?

Perhaps the most important problem of all, as theologians must agree, is that where there is no God, there are no absolutes, no definite laws to define what is right or wrong. This may explain part of the current disregard for law and order.

Probably the most unfortunate thing about the "silent generation" those who went to school from the 40's to the 60's, is that while they were being educated quietly and industriously in preparation to making money, they were often educated to be obsessed with that aspect of life.

They learned the technique of cutting corners. They learned to be Sunday Christians who go to church Sundays before watching their football games, and then remember the football game to talk about it all week long, but forget their faith until next Sunday. . . . Their children have somehow noticed all this. . . . Parents often set one standard for their children and another for themselves. Meanwhile, the government responds by trying to soothe the national conscience with talk of fulfilling our duty as a Christian nation, and on the individual level, our own churches sometimes even imply that all is relative and there is no standard.

Quite naturally, the student hit full in the face in college with people questioning everything he thought he believed, begins to look around for something stable and tied down. If his own faith is not reinforced in his own mind, he becomes willing to follow someone else who has a purpose and seems to know where he's going.

Students are not always easily taken in, but as is pointed out in the book, "Push Comes To Shove" by Steven Helman, a Harvard student who calls himself a member of the "radical middle", too often truly concerned but confused students become exploited for the purposes of egotistical student radical leaders and professors. Students who are aware of a problem but not solution, are willing to try a new idea for waking up those who seem destined to slumber into oblivion.

But don't be too discouraged by the thought of unsuspecting, well-meaning students being sucked into the fold of those who would preach anarchy and violence. As a matter of fact, there is reason to be thankful for it.

As the Scranton Commission found in its report, an interesting phenomenon has grown up in the protest movements known as "the paradox of tactics". What this essentially means is that radical leaders, in order to gain the manpower and cooperation of the majority of those who are simply "liberals", i.e., they favor some changes within the system, often having to do with the running of the university—those radicals find that they have coopted students who refuse to accept violent methods and may be disuaded by one or two liberal leaders.

Let me give you a personal example. At Emory last spring a number of students demonstrated on the quadrangle. The impetus was gained when the president sent troops into Cambodia. Some proclaimed this to be an escalation of the war, which naturally would mean stepping up the draft call. You know what that means. Since the rallies were held at 12:00 noon in the very center of traffic between classes, hundreds of students became involved in observing the demonstration, if not participating.

Shortly thereafter, the Kent State incident occurred. Now, a lot of students failed to see why the National Guard was on a campus with rifles shooting at students and besides, everybody was willing to join in a day of mourning, so the participation grew.

Black students particularly used the opportunity to sound off about racism, questioning later why so much more was made over Kent State than Jackson State, a Black university where students were also killed.

Some simply enjoyed getting out of classes. Others used the chance to tie in Kent State to problems of university governance. For all different reasons, many people came together and enjoyed being in a "movement".

Finally, one night after a faculty meeting when the faculty had voted to postpone deciding what to do about ROTC, some radical students saw their chance to get things really moving. At a hastily called night rally at which I was not initially present, although I usually tried to keep my ear to the ground, some faculty members accused me of having sold out the students because it was I who had requested the faculty moratorium, until after a student referendum had been held, but things were twisted around until it was promulgated that I had simply defended ROTC on behalf of the whole student body,

rather than that I asked to be given time to poll the students for their opinions.

Well, when I finally arrived after a friend had phoned me to hurry on over, the faculty member had disappeared. But, a few students called me a Facist pig as I walked to the microphone and there was a general hissing in the audience, so I knew the damage had been done.

Needless to say, I was somewhat frightened—knowing what crowds were sometimes like and realizing that the great silent majority who had elected me were safely tucked in their beds or studying. So, as usual, I prayed and the words came. And as I began by explaining first the misunderstanding about the faculty meeting, the hissers were quieted by those next to them. And more important, they listened. Later, when I pointed out somewhat angrily how one-sided and parochial their attitudes were in indulging in booing and hissing and name-calling, they still listened—and when I suggested that breaking into and occupying an empty building would not only accomplish little other than breaking a law, but would invite the entrance of police or outside intervention such as they were protesting against—they still listened. And not only that, but when some of the radical leaders attempted to press on with the occupation, other so-called leaders disagreed and took the more rational approach.

In the end, half the students followed one boy who was determined to lead somebody somewhere on a journey to wake up the president of the university and tell him what they had planned on saying by occupying the building, while the other half stayed on the quadrangle to have a discussion. The same thing apparently happened at scores of institutions, where the rational students drawn into the movement prevented others from violence—for only 5% of all universities which experienced protests engaged in any type of violent actions whatsoever.

When we think about crowd psychology and realize what could have happened, over a period of prolonged rallies, I think that's cause for thanksgiving. And especially realizing that major acts like bombings were almost invariably perpetrated by only a small group at night, or, as at Wisconsin, during the summer, when no crowds could be mustered, it's easy to see that the violent—those whom J. Edgar Hoover says are merely the first to runs out of ideas—are in a very distinct minority.

Well, you now have a conglomeration of a few of the speeches and bull sessions of a senior in college who has spent two years trying to figure out what the shouting was all about, one trying to decide whether to join it, and a good part of the fourth caught in the middle—between the student body and the administration.

I personally have been very fortunate, and I readily admit it. I've never had to cry myself to sleep because of having parents who didn't get along—as some of my friends and relatives have had to do; I've never gone hungry, but I've never had time to get into trouble; and I've always known where my parents stood—under God and above me.

Consequently, I didn't go into college feeling like a reject from a society that didn't want me, as did the boy who lived next door to me in my freshman year—a boy who tried SDS involvement, who tried the alcoholic-drug addict cop-out, and finally the ultimate cop-out, as he committed suicide.

But I now know what the shouting's about, and although I disagree with the analyses of some of the priorities, and I disagree with some of the tactics, I must admit to the urgency of many of the problems. I'm sure I don't have to tell you of student suicide rates to make you interested too.

PAUSE

But I'm not going to leave you with all of these minuses about students' outlooks on life. Not only would it be unfair, with Christmas almost here, but it would also be an untrue picture. In the first place, let me remind you that even last spring only 30% of campuses actually engaged in strike activity, and only 5% of all campuses experienced any incidents of violence. Remember, too, that even in the middle of all the activity last spring, a Harris poll survey indicated that 68% of the students said violence was totally unacceptable as a means of dissent—and that was when students in general were angry over Kent State.

Remembering, too, that in our system of democracy, we invite demonstrations by assuring the right of people to assemble. We also guarantee free speech. Consider how most interest groups, from labor unions to, well . . . the Chamber of Commerce, make themselves heard. Students by and large, can't hire lobbyists, but many of the problems they demand be faced are really important to the well-being of our nation—at least in their opinion—so they do what makes the news.

You may be comforted to know that schools like Wisconsin and Berkeley have had relatively conservative presidents elected, just as I was at Emory, on platforms of nonviolence and even a pledge to concern student government with the university—not national politics. It appears that average students are "reacting" against violence, much as the nation is, for they're coming out to vote and electing moderate leaders. Meanwhile, at least at Emory, last year's strike leaders have either flunked out of school, gotten married, or decided to study, all of which have conspired to give me a very peaceful Fall. Our biggest anti-war rally had only 18 participants.

Meanwhile at Emory everybody's become interested in a conservative idea—a student-sponsored public interest action group of lawyers and scientists to fight the major polluters in the state of Georgia—in the court room. Hopefully, several Georgia schools will band together in this effort.

There is only one thing that really scares me though. And that is exemplified by the emergence of the Right Angle, a new Emory newsletter, which is so far right it's almost coming around to the other side. Just to show you how much the campus is really a reflection of American society, this John Birch style paper has called our anti-pollution efforts a Communist plot . . . even though the Deputy Asst. Atty. General of the U.S., Bruce Wilson has given it his unqualified support.

With all of the name-calling and misunderstanding, with hard hats and police sometimes reacting violently to students, with even Federal Judges like Edward M. Curran publicly lumping the "hordes of long-haired youths and straight haired girls" and the "bearded bums" who make him a "tired American", I'm afraid there is too much reaction and not enough communication.

The essential problem, if it is possible to pinpoint such a thing, in my opinion is based on a mistake concerning responsibility. Present generation adults like to take credit for all the advances of modern science and technology and all the other wonderful accomplishments of our nation to date, and then make this statement: "The future is in the hands of our youth."—This may be a lie, or it may simply be a cop-out.—Everyone knows that the future has always been in the hands of the present generation. What worries adults is that they'll give youth a future and that their youth won't know what to do with it—based on the actions of college students today. And by the way, remember that students per se make up less than 16% of the 40 million young people between the ages of 14 and 24; 42% are working, 14% are housewives, 8% are in the military and many are unemployed according to Steven Hess, national chairman of the White House Conf. on Children and Youth.

Well, what do these youth, then, think about the present generation? Adults fear that they are much more hostile than they really are. Actually, most young people simply resort to tirades as children, and demonstrations as students, because it seems they have to be spectacular to get any attention. The feeling of helplessness about the world problems comes mainly because young people know their future is in the hands of adults—but they can't do much about it. A little concern, willingness to open channels even at the expense of swallowing a little pride (after all who are the "mature" adults anyway?), may do wonders. As a matter of fact, for most students, no generation gap exists. What does exist is a credibility gap.

If there truly is such a gap, it is nothing more than a forgetting by adults of the questioning insecurity of their own youth—plus a lack of faith, perhaps due to their own jobs as parents, that today's youth will come through their artificially extended period of adolescence without sound conclusions to their problems.

Let me say, as I draw to a close if my presentation has raised any questions, I suggest it might be more beneficial for you to ask your questions to your own sons and daughters and other young people. And make them believe you are sincerely interested in their views, by really being interested.

I'd like to have stood up here and told you all not to worry about future protests and problems, that such are just a passing fad. But I don't believe that. And I'd no more lie to you than to Emory students, whom I told quite frankly I oppose violence, and I felt their attacks on ROTC were nothing more than a witch hunt which threatened the rights of ROTC students simply for the benefit of a symbolic show. They respected honesty, as, by large I think students do everywhere, and as I know you do . . . in it lies the key to all our futures.

I close by telling you the same thing I recently told a meeting of the Emory Alumni Association, at which an old gentleman wanted to know why and how college officials could condone, and the student government could allow, people like Jane Fonda to speak to their student bodies. He was—not unusually—very skeptical of the abilities of college age young adults to avoid being duped by Miss Fonda.

Well, we were sorry we had allowed Jane Fonda to speak—not because of what she said, but because of what she didn't say. As opposed to the reaction to Ralph Nader, in which students exhibited a positive concern to do something about pollution and consumer fraud, about all anybody could say was "Well now I've seen Jane Fonda", she couldn't stand up to the barrage of questions asking her to document her statements, to give evidence, to prove she knew what she was talking about.

We're not gullible. You know that. As a matter of fact, part of the communication problem is simply based on fear that you won't have the answer to our questions, while we fear, simply that you don't know what we're asking. What we're all really saying is, we've got to find the solution together.

The statement is still applicable today: "All we really have to fear is fear itself."

RELEASE OF IMPOUNDED 1971 APPROPRIATIONS

(Mr. ROSTENKOWSKI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROSTENKOWSKI. Mr. Speaker, yesterday, my good friend and colleague, the honorable Democratic whip, TIP O'NEILL, introduced House Joint Resolution 577, which would instruct the President to release the 1971 appropriations that he has impounded. I commend

my colleague for this action and support him fully on this matter. In fact, at his request, I, as whip of the Illinois Democratic delegation, am introducing a companion resolution in an attempt to demonstrate the widespread concern over the President's action—or rather, inaction.

My companion resolution has been cosponsored by all 12 Members of the Illinois delegation. We, as a group, feel strongly about the President's decision to hold back funds—a decision which is having devastating effects on our urban areas. Because our cities are sick and dying, I believe, as does our distinguished whip, that now is not the time for this administration to play politics with these desperately needed funds.

JOINT COMMITTEE ON THE ENVIRONMENT

(Mr. MOSS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MOSS. Mr. Speaker, the New York Times of April 23, 1971, commented editorially on the need for expeditious action on legislation to establish a Joint Committee on the Environment.

The Senate on March 16, 1971, approved legislation, Senate Joint Resolution 17, to establish such a committee and similar House legislation, House Joint Resolution 3, and identical bills, are before the Committee on Rules with 272 cosponsors.

So that my colleagues may have an opportunity to be aware of the New York Times views on this matter, I include the text of its April 23 editorial at this point in the RECORD:

ENVIRONMENTAL REVIEW

Buried in the unfinished business of the last session of Congress was a bill of such compelling good sense that it is hard to see why its enactment should be delayed another week. A proposal for a Joint Congressional Committee on the Environment, it was passed by the Senate a month ago, with Senator Muskie of Maine taking the lead.

A House version, sponsored by Representative Dingell of Michigan, now reposes in the Rules Committee of the House, and although there are hints that it is soon to emerge, the legislative record hardly warrants taking anything for granted. Introduced in varying forms for four consecutive sessions, the measure was passed by both houses last year only to die a frustrating death in a conference committee.

The bill would give Congress what it badly needs—a long-range committee concerned not with specific legislation but with giving the members a broad and continuing review of environmental matters. Its functions would be to identify problems as they emerge, keep track of successes and failures in governmental approaches to the environment, hold hearings on the annual report of the Council on Environmental Quality and, above all, enable the standing committees of Congress to act concertedly in this vital area, with a sense of coherence and priorities not always discernible in their legislative output.

Political and personal rivalries were a factor in holding up this legislation in the past. It must be plain by now that neither Congress nor the country can any longer afford that picayune luxury.

END OF REAL ESTATE TAXES FOR SCHOOLS

(Mr. DOW asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DOW. Mr. Speaker, yesterday I reintroduced my bill to encourage States to increase the proportion of their expenditures for public elementary and secondary education.

I am very pleased to be joined by 12 of my colleagues—the gentleman from New York (Mr. BADILLO), the gentleman from Massachusetts (Mr. BURKE), the gentleman from California (Mr. BURTON), the gentleman from California (Mr. EDWARDS), the gentleman from Pennsylvania (Mr. EILBERG), the gentleman from New York (Mr. HALPERN), the gentleman from Massachusetts (Mr. HARRINGTON), the gentleman from Michigan (Mr. MCDONALD), the gentleman from Illinois (Mr. MIKVA), the gentlewoman from Hawaii (Mrs. MINK), the gentleman from New York (Mr. ROSENTHAL), and the gentleman from California (Mr. ROYBAL). The number of my new bill is H.R. 7759.

This legislation would shift school tax burdens from the local property tax by reimbursing each State for 50 percent of the increased cost above the local share assumed by the State for public elementary and secondary education. The cost of Federal leverage to be applied would total about $5 billion over an indeterminate number of years, but no permanent dependence is created for Federal moneys.

In discussing the property tax problem with tax experts and educators I discovered a very broad interest in the use of a single State tax mechanism for elementary and secondary education financing, rather than continued reliance on the inelastic property tax administered at the local level.

I have written the commissioners of education of each of our 50 States to bring my bill to their attention and have been encouraged by the response. The letters I have received from these men and women lead me to believe that the approach taken in my bill is the correct one—that is, that State financing of education costs is an idea whose time has come. My formula was drafted to encourage, to give a Federal inducement to this concept, without putting the Federal Government in the business of permanently contributing to finance elementary and secondary education.

There is nothing sacrosanct about the formula of incentives for State assumption of the school tax burden. Other formulas, based on this legislative concept may prove to be more workable. Because of the very great disparity in the amount of tax effort between the States which is dramatically illustrated in the table included in my earlier remarks in the CONGRESSIONAL RECORD of March 23, 1971, at pages 7631–7634, the formula developed in this legislation is comprehensive enough to assist any State which increases its share of educational expenditures.

I have also been encouraged in the response the bill has received from others in the educational community who have followed the proposal for State financing of elementary and secondary education since its original proposal by Dr. James Conant, president emeritus of Harvard University, at the Education Commission of the States annual meeting in 1968. The Governor of Michigan, the Honorable William G. Milliken, has also moved in the direction proposed by Dr. Conant.

The Governor's proposal calls for a uniform and limited property tax for school operations. The total property tax levied throughout the State would, according to the Governor, be decreased substantially and the State income tax would be increased to offset the cut in tax on property.

Mr. Speaker, the State under my bill has the option of adopting any statewide revenue-producing tax. My bill offers a Federal incentive to bring this change.

The bill's formula is intended to reduce the local property tax, by some or all of the 55 percent of the total cost, nationwide, for public elementary and secondary schools which that tax is now bearing.

Taxes for support of elementary and secondary schools are historically levied on real estate. More and more, this regressive type of taxation is coming under widespread criticism that is not limited to any State boundary.

Coupled with problems in the method of assessment, is the gross disparity in the tax base available from one community to another. It deprives some children and perhaps even surfeits others. The Advisory Commission on Intergovernmental Relations in their April 1969 report entitled, "State Aid to Local Government," points out that the ratio of high to low ability to pay is as much as 66 to 1 in one of our States. In a number of other States the ratio is startling.

I find a widespread disenchantment everywhere in this country, with the heavy and inequitable burden represented by school taxes on real estate. Practically, this is a problem for each State to solve, yet the attitude of our taxpaying public in many States is such, and the inequities of the school tax so universal, that I urge a Federal inducement to move this incumbus which is so prevalent and to propose a release of localities from their ill-adjusted and inequitable school tax burden.

The principal objection I have heard to the plan contained in my school tax bill is the presumption that local school boards, if no longer responsible for raising school taxes, would lose control of their educational systems, and that there would be a State takeover. To this criticism, I reply that in my own State of New York the State now provides 45 percent of the school support. With that much leverage the State could exert immense influence on local school decisions, even today, but it does not. Why? It does not for one reason, because the State legislature made up of local representatives would not allow it and, second, that is not the nature of our educational system. Nobody wants it that way.

The respected Advisory Commission on Intergovernmental Relations has pro-

posed this concept for the States. They are taking a look at the approach my legislation takes, as are others in the field of education. I fully appreciate the complexities of any gross shift in the responsibilities for education, but I am convinced that this approach, which would help the States to move and assume the education burden is a practical and effective means of achieving a result which must be taken sooner or later, State education financing.

S. SMITH GRISWOLD

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, with the death of S. Smith Griswold on April 20, this Nation has lost an irreplaceable guardian of the environment.

Today we are all concerned about the decay of our environment, as well we should be. But our present awareness of the problems of pollution was a long time in coming. Until very recently few persons had the concern and the foresight to bring our environmental crisis into proper perspective. S. Smith Griswold was one such person.

S. Smith Griswold was a pioneer—as the New York Times put it, a Daniel Boone—in the effort to combat air pollution. As head of the Los Angeles County Air Pollution Control District, he developed an agency with a staff of over 450 people and a budget of more than $5 million a year. His efforts persuaded the county government to ratify over 100 stringent restrictions on air emissions; he fought against some corporations all the way to the Supreme Court to make these ordinances stick; and he fortified an enforcement system that brought more than 30,000 offenders into court, with a conviction rate of 96 percent. His efforts in this area resulted in the elimination of over 80 percent of atmospheric contaminants from stationary sources in Los Angeles.

He left Los Angeles in 1965 to become chief of the Abatement Section of the National Air Pollution Control Administration. In that position he made a major contribution to air pollution control in the New York-New Jersey metropolitan area.

On November 24, 1966, New York City experienced an air inversion which within another 24 hours would have been a disaster, causing thousands of deaths by air pollution. In the midst of this dangerous situation, I called upon the Federal Government to "use its full power to insist upon control of interstate air pollution affecting New York and New Jersey." When the Secretary of Health, Education, and Welfare responded to my request by convening an air pollution abatement conference on January 3, 1967, S. Smith Griswold, as presiding officer, made that air pollution abatement conference an effective weapon in the struggle to establish a workable control program in the area, laying the foundations for many of the antipollution laws that are now in effect in the New York-New Jersey metropolitan area. Due to his firm insistence on action by the fuel industry, based upon evidence gained during the conferences in 1967 and 1968, New York was able finally to establish a program for lowering the sulfur content of fuels. Mr. Griswold's effectiveness in fighting air pollution by the use of the abatement conference procedure, which was provided for in the Clean Air Act of 1963, cannot be overstated.

S. Smith Griswold was one of the first to pinpoint the contribution of automobiles to pollution and one of the most steadfast critics of the industry. His research proved that control devices were developed long before the industry used them. It was, in fact, his efforts that led to the 1969 Federal indictment of automobile manufacturers for conspiracy to delay use of these devices. Not content with being a critic and using the law to stimulate control, he pursued every available method of persuasion, including growing public distress over pollution and encouraging other manufacturers to compete with the automobile industry in developing control devices.

More than any other single person, it is to the credit of S. Smith Griswold that the Congress was finally able to pass a strong law last year setting deadlines for the automobile industry to install effective control devices.

After he left Government service to become president of Sedra, an air pollution consulting firm, and later to establish his own consulting office, he continued to give unstintingly of his time and talent to aid those who shared his goal of a cleaner environment.

S. Smith Griswold was an honorable man, dedicated to his work, unswerving in purpose, just and fair in his judgments, but unsparing of enemies of the environment.

The Nation will miss his leadership.

At this point in the CONGRESSIONAL RECORD I include an article which appeared in the New York Times on April 22, 1971, describing the life and accomplishments of S. Smith Griswold:

[From the New York Times, Apr. 22, 1971]

S. SMITH GRISWOLD DEAD AT 62; EARLY FIGHTER AGAINST POLLUTION—LED LOS ANGELES' DRIVE ON SMOG—MILITANT FOE OF AUTO HEADED FEDERAL UNIT

WASHINGTON.—S. Smith Griswold, a pioneer in the fight against air pollution, died of cancer yesterday at the Naval Hospital in nearby Bethesda, Md. He was 62 years old.

Mr. Griswold leaves his wife, Ingeborg; a daughter, Mrs. Gary Swanson; his father, W. H. Griswold; a brother, W. H. Griswold, Jr., and a granddaughter.

FOUGHT AUTO INDUSTRY

The Federal law enacted Dec. 31 setting a six-year deadline for the automobile industry to develop engines that are virtually pollution-free is in a sense a monument to Samuel Smith Griswold. As Los Angeles' chief smog fighter from 1955 to 1965—long before the rise to prominence of Ralph Nader—he was the industry's most militant critic.

He was a tall, imposing, athletic-looking man with wavy straw-colored hair and the piercing gaze of a John Brown. His manners were impeccable, as might be expected of a captain in the Naval Reserve with bachelor's and master's degrees from Stanford University.

But Mr. Griswold made no bones about needling, heckling, taunting and badgering Detroit to reduce fumes from cars. His crusading led in 1969 to a Federal indictment of the manufacturers for conspiracy to delay antismog devices. (The case was settled by a consent decree.)

"Patent data," Mr. Griswold once said sourly, "shows that automobile pollution controls were available as far back as 1909."

SPURRED COMPETITION

Mr. Griswold employed some deft strategy to prod the carmakers into catching up: he encouraged accessory manufacturers to develop fume-suppressing attachments for cars; when they threatened to run away with the billion-dollar fume-suppressing business, the automakers suddenly discovered that they would be able to provide similar apparatus as original equipment.

When Mr. Griswold was not talking indignantly about the menace and stupidity of air pollution, he spoke in a deceptively soft Western drawl. He favored nonmatching, austere jacket-and-trouser combinations with a State Department aura. This, in combination with a deliberateness of speech and movement, created an impression of stately courtliness reminiscent of a wealthy and assured antebellum Southern planter.

His subdued manner enabled him to get away with heretical statements that might have gotten the average civil servant dismissed or relegated to obscurity.

"During the past decade," he said more than once with faint cynical irony, "the auto industry's total investment in controlling the nation's No. 1 air pollution problem—a blight that is costing the rest of us $11-billion a year—has consisted of less than one year's salary of 22 of their executives."

Mr. Griswold was probably the first public official to propound the now-widespread idea that if automotive fume control did not make a quantum jump quickly, the internal combustion engine would be headed for the museums.

"If you can't control about 99 per cent of what's coming out of cars now," he said, "the only answer for big cities is a different propulsion system."

Mr. Griswold was equally quick and emphatic in giving credit where it was due. Referring to an interstate smog abatement action his office, the National Air Pollution Control Administration, initiated, he remarked:

"I've rarely seen a more cooperative attitude by industry than in the action involving the two Kansas cities. All they wanted was a Federal catalyst."

LED LOS ANGELES OFFICE

Mr. Griswold was a sort of Daniel Boone in the story of air-pollution control. He took over direction of the Los Angeles County Air Pollution Control District at a time when stationary smog sources, like industry, were still considered the major cause of smog.

Using public indignation for leverage, he developed an agency with a staff of over 450 and a budget of more than $5 million a year; persuaded the county government to ratify some 100 stringent restrictions on fume emissions battled some recalcitrant corporations all the way to the United States Supreme Court to make the ordinances stick, and put starch in an enforcement system that in a decade hauled more than 30,000 offenders into court, with a conviction rate of 96 per cent and fines totaling more than $700,000.

The entire operation resulted in the elimination of upward of 80 percent of atmospheric contaminants from stationary sources in Los Angeles—a reform unfortunately offset largely by the emissions of Los Angeles' ever-growing horde of automobiles, which was the reason for Mr. Griswold's militance toward Detroit.

"You're going to continue crying for many years to come," he warned Los Angeles resi-

dents before he joined the Federal Government in 1967 to be in charge of air pollution abatement. "It will be very difficult for some time to offset the pollution from uncontrolled cars."

After Los Angeles travail in containing the smog menace, he commented, "it's utterly stupid for any other city to get itself in a similar predicament."

"Nationally, for the next 10 years we'll probably lose ground in the air pollution effort. With the growing load of contaminants, we're going to have to run like hell just to keep even."

GENERAL LEAVE TO EXTEND

Mr. FRASER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks with respect to my special order, yesterday, April 27.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ROONEY of New York (at the request of Mr. MILLER of California), for Wednesday, April 28, 1971, on account of official business in his district.

Mr. ZION (at the request of Mr. GERALD R. FORD), for the week of May 3, on account of official business.

Mr. CARTER (at the request of Mr. GERALD R. FORD), for the balance of the week, on account of official business.

Mr. CORMAN, on account of official business.

Mr. RUNNELS (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. JONES of Tennessee (at the request of Mr. O'NEILL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PEYSER) to revise and extend their remarks and include extraneous material:)

Mr. HOSMER, for 5 minutes, today.

Mr. WHALEN, for 60 minutes, May 4.

Mr. SCHWENGEL, for 30 minutes, today.

Mr. ANDERSON of Illinois, for 60 minutes, today.

Mr. HOGAN, for 5 minutes, today.

Mr. WILLIAMS of Pennsylvania, for 15 minutes, today.

(The following Members (at the request of Mr. MCEWEN) to address the House and to revise and extend their remarks and include extraneous matter:)

Mr. METCALFE, for 10 minutes, today.

Mr. RANGEL, for 30 minutes, today.

Mr. METCALFE, for 10 minutes, on April 29.

(The following Members (at the request of Mr. MCEWEN) to address the House and to revise and extend their remarks and include extraneous matter:)

Mr. STEIGER of Arizona, for 5 minutes, today.

Mr. CLEVELAND, for 5 minutes, today

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CARTER (at the request of Mr. SPRINGER), to revise and extend his remarks after those of Mr. SPRINGER.

Mr. MAYNE to follow the special order of Mr. ANDERSON of Illinois today.

(The following Members (at the request of Mr. PEYSER) and to include extraneous material:)

Mr. HALL in two instances.
Mr. DERWINSKI in two instances.
Mr. HOSMER in four instances.
Mr. BRAY in two instances.
Mr. BOB WILSON in two instances.
Mr. STEIGER of Wisconsin.
Mr. BROOMFIELD in two instances.
Mr. MCCLOSKEY.
Mr. HANSEN of Idaho.
Mr. VEYSEY in three instances.
Mr. CONTE.
Mr. WYLIE.
Mr. SCHWENGEL in two instances.
Mr. MICHEL in two instances.
Mr. SHRIVER in two instances.
Mr. DUNCAN in two instances.
Mr. FRENZEL.
Mr. DICKINSON.
Mr. FORSYTHE.
Mr. HARSHA.
Mr. BELCHER.
Mr. WYMAN in two instances.
Mr. KEMP in two instances.
Mr. CARTER.
Mr. SCHMITZ in three instances.

(The following Members (at the request of Mr. DENHOLM) and to include extraneous matter:)

Mrs. HICKS of Massachusetts in three instances.
Mr. HAMILTON in eight instances.
Mr. SCHEUER.
Mr. O'NEILL in two instances.
Mr. TEAGUE of Texas in eight instances.
Mr. ASHLEY.
Mr. CLAY in six instances.
Mr. ROONEY of New York in two instances.
Mr. WILLIAM D. FORD.
Mr. JOHNSON of California.
Mr. JARMAN.
Mr. BERGLAND in three instances.
Mr. DIGGS in three instances.
Mr. MOORHEAD in five instances.
Mr. PICKLE in three instances.
Mr. ALBERT in two instances.
Mr. DINGELL.
Mr. KOCH.
Mr. FOUNTAIN in two instances.
Mr. KLUCZYNSKI in two instances.
Mr. ANDERSON of California.
Mr. STOKES.
Mr. EDWARDS of California in three instances.
Mr. ROE.
Mr. DE LA GARZA.

Mr. WHITEHURST (at the request of Mr. MCEWEN) and to include extraneous matter.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1557. An act to provide financial assistance to local educational agencies in order to establish equal educational opportunities for all children, and for other purposes; to the Committee on Education and Labor.

ADJOURNMENT

Mr. DENHOLM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 14 minutes p.m.), the House adjourned until tomorrow, Thursday, April 29, 1971; at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

634. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend the Northwest Atlantic Fisheries Act of 1950, as amended, the North Pacific Fisheries Act of 1954, as amended, and for other purposes; to the Committee on Foreign Affairs.

635. A letter from the treasurer, American Chemical Society, transmitting the annual report and audit of the society for calendar year 1970, pursuant to section 8 of Public Law 358, 75th Congress; to the Committee on the Judiciary.

636. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to foster fuller U.S. participation in international trade by the promotion and support of representation of U.S. interests in international voluntary standards activities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

637. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to revise and improve the laws relating to the documentation of seamen; to the Committee on Merchant Marine and Fisheries.

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. POAGE: Committee of Conference. Conference report on S. 70 (Rept. No. 92–165). Ordered to be printed.

Mr. ASPINALL: Committee on Interior and Insular Affairs. H.R. 6993. A bill to establish within the Department of the Interior the position of an additional Assistant Secretary of the Interior (Rept. No. 92–166). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H.R. 7830. A bill to provide for public disclosure by Members of the House of Representatives, Members of the U.S. Senate, justices and judges of the U.S. courts, and policymaking officials of the executive branch as designated by the Civil Service Commission, but including the President, Vice President, and Cabinet members; and by candidates of the House of Representatives and the Senate, the Presidency, and the Vice Presidency; and to give the House Committee on Standards of Official Conduct, the Senate

Select Committee on Standards and Conduct, the Director of the Administrative Office of the U.S. Courts, and the Attorney General of the United States appropriate jurisdiction; to the Committee on the Judiciary.

By Mr. ASHLEY:

H.R. 7831. A bill to preserve, protect, develop, restore, and make accessible the lake areas of the Nation by establishing a national lake areas system and authorizing programs of lake and lake areas research, and for other purposes; to the Committee on Public Works.

By Mr. BETTS (for himself, Mr. COLLIER, Mr. CONABLE, and Mr. DU PONT):

H.R. 7832. A bill to restore balance in the federal system of government in the United States; to provide both the flexibility and resources for State and local government officials to exercise leadership in solving their own problems; to achieve a better allocation of total public resources; and to provide for the sharing with State and local governments of a portion of the tax revenue received by the United States; to the Committee on Ways and Means.

By Mr. BINGHAM (for himself, Mr. BADILLO, Mr. SCHEUER, Mr. ADDABBO, Mr. EILBERG, Mr. SYMINGTON, Mr. O'KONSKI, Mr. WALDIE Mr. HICKS of Washington, Mr. MOSS, Mr. CLAY, Mr. DINGELL, Mr. HALPERN, Mr. BEGICH, Mrs. HANSEN of Washington, Mr. PEPPER, Mr. EDWARDS of California, Mr. COTTER, Mr. PIKE, Mr. CARNEY, Mr. REES, Mr. RONCALIO, Mr. MOORHEAD, Mr. HATHAWAY, and Mr. HORTON):

H.R. 7833. A bill to provide increased unemployment compensation benefits for Vietnam era veterans; to the Committee on Ways and Means.

By Mr. BINGHAM (for himself, Mr. RIEGLE, Mr. FORSYTHE, Mrs. GRASSO, Mr. BURKE of Massachusetts, Mr. GONZALEZ, Mr. HECHLER of West Virginia, Mr. MCCORMACK, Mr. MIKVA, Mr. RYAN, Mr. DRINAN, Mr. SARBANES, Mr. ESCH, Mr. ALEXANDER, Mr. ROSENTHAL, Mr. YATRON, Mr. BRINKLEY, Mrs. MINK, Mr. FISH, Mr. ABOUREZK, Mr. SCHWENGEL, and Mrs. CHISHOLM):

H.R. 7834. A bill to provide increased unemployment compensation benefits for Vietnam era veterans; to the Committee on Ways and Means.

By Mr. BURLISON of Missouri:

H.R. 7835. A bill to amend title XVIII of the Social Security Act to provide payment for chiropractors' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mr. CASEY of Texas (for himself, Mr. DRINAN, Mr. ROBERTS, Mr. HANSEN of Idaho, Mr. SCOTT, Mr. SISK, Mr. SIKES, Mr. CHARLES H. WILSON, Mr. DERWINSKI, Mr. BLACKBURN, Mr. WRIGHT, Mr. JOHNSON of Pennsylvania, Mr. QUILLEN, Mr. FISHER, Mr. ASPIN, Mr. JOHNSON of California, Mr. SLACK, Mr. MOSS, Mr. ST GERMAIN, Mr. WYATT, Mr. ROGERS, Mr. SCHWENGEL, Mr. MATSUNAGA, Mr. HOGAN, and Mr. FULTON of Pennsylvania):

H.R. 7836. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. CASEY of Texas (for himself, Mr. PEPPER, Mr. DUNCAN, Mr. ADDABBO, Mr. MURPHY of New York, Mr. MAZZOLI, Mr. KARTH, Mr. COLLINS of Illinois, Mr. HAYS, Mr. MINSHALL, Mr. CLEVELAND, Mr. ESHLEMAN, Mr. WHITTEN, Mr. BYRNE of Pennsylvania, Mr. DONOHUE, Mr. BEGICH, Mr. HULL, Mr. ABBITT, Mr. HUNT, Mr. STEED, Mr. BAKER, Mrs. CHISHOLM, Mr. PATMAN, Mr. FOUNTAIN, and Mr. GONZALEZ):

H.R. 7837. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. CASEY of Texas (for himself, Mr. DON H. CLAUSEN, Mr. LATTA, Mr. PICKLE, Mr. JONES of North Carolina, Mr. HASTINGS, Mr. CONTE, Mr. HANLEY, Mr. EDWARDS of Louisiana, Mr. STAGGERS, Mr. MACDONALD of Massachusetts, Mr. LENNON, Mr. DANIEL of Virginia, Mrs. HICKS of Massachusetts, Mr. BEVILL, Mr. CABELL, Mr. ANDERSON of Tennessee, Mr. HARVEY, Mr. BARING, Mr. ROYBAL, Mrs. HANSEN of Washington, Mr. TEAGUE of Texas, Mr. GRIFFIN, Mr. MADDEN, and Mr. SAYLOR):

H.R. 7838. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. CASEY of Texas (for himself, Mr. WAGGONNER, Mr. BLATNIK, Mr. BOW, Mr. SYMINGTON, Mr. ROE, Mr. MCMILLAN, Mr. CHAPPELL, Mr. MELCHER, Mr. ARCHER, Mr. KEE, Mr. FINDLEY, Mr. MCFALL, Mr. WHITEHURST, Mr. BURKE of Massachusetts, Mr. HANNA, Mr. FLOOD, Mr. BIAGGI, Mr. COLLINS of Texas, Mr. HAWKINS, Mr. BOB WILSON, Mr. GRAY, Mr. MAILLIARD, Mr. SANDMAN, and Mr. DENT):

H.R. 7839. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amoritize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. CASEY of Texas (for himself, Mr. SMITH of California, Mr. DOWDY, Mrs. GREEN of Oregon, Mr. DOW, Mr. DULSKI, Mr. MANN, Mr. HICKS of Washington, Mr. PODELL, Mr. ASHLEY, and Mr. ABOUREZK):

H.R. 7840. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. COLLIER:

H.R. 7841. A bill to amend the Airport and Airway Development and Revenue Acts of 1970 to further clarify the intent of Congress as to priorities for airway modernization and airport development, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7842. A bill to provide that, after January 1, 1972, Memorial Day be observed on May 30 of each year and Veterans Day be observed on the second Monday in November of each year; to the Committee on the Judiciary.

By Mr. CULVER (for himself, Mr. ABOUREZK, Mr. ALEXANDER, Mr. ANDERSON of Tennessee, Mr. BEGICH, Mr. BERGLAND, Mr. BIESTER, Mr. BRINKLEY, Mr. FLOWERS, Mrs. GRASSO, Mr. GREEN of Pennsylvania, Mr. HAMILTON, Mr. HARRINGTON, Mr. HATHAWAY, Mr. JOHNSON of Pennsylvania, Mr. MAZZOLI, Mr. MELCHER, Mr. MOORHEAD, Mr. MURPHY of New York, Mr. RONCALIO, Mr. ROSENTHAL, Mr. ROY, Mr. SARBANES, Mr. SMITH of Iowa, and Mr. TIERNAN):

H.R. 7843. A bill to assist in community development, with particular reference to small communities; to the Committee on Banking and Currency.

By Mr. CULVER (for himself, Mr. FLOOD, Mr. FOLEY, Mr. JONES of Tennessee, Mr. LINK, Mr. OBEY, Mr. PREYER of North Carolina, Mr. PURCELL, Mr. STEED, and Mr. WOLFF):

H.R. 7844. A bill to assist in community development, with particular reference to small communities; to the Committee on Banking and Currency.

By Mr. DINGELL (for himself, Mr. ABOUREZK, Mr. ADAMS, Mr. ADDABBO, Mr. ANDERSON of California, Mr. ANDERSON of Tennessee, Mr. BADILLO, Mr. BARRETT, Mr. BROOMFIELD, Mr. BURTON, Mr. CARNEY, Mr. CLEVELAND, Mr. COLLINS of Illinois, Mr. CONYERS, Mr. CORMAN, Mr. DELLUMS, Mr. DIGGS, Mr. DULSKI, Mr. EILBERG, Mr. GARMATZ, Mr. GIBBONS, Mrs. GRASSO, Mr. GREEN of Pennsylvania, Mrs. GRIFFITHS, and Mr. HALPERN):

H.R. 7845. A bill to amend the Federal Water Pollution Control Act to provide for its uniform application to all of the navigable waters of the Untied States and to provide financial assistance to States and municipalities for water quality enhancement and pollution control, and for other purposes; to the Committee on Public Works.

By Mr. DINGELL (for himself, Mr. HAMILTON, Mr. HASTINGS, Mr. HATHAWAY, Mr. HAWKINS, Mr. HELSTOSKI, Mrs. HICKS of Massachusetts, Mr. JACOBS, Mr. JOHNSON of California, Mr. KARTH, Mr. KASTENMEIER, Mr. LEGGETT, Mr. LONG of Maryland, Mr. MAZZOLI, Mr. METCALFE, Mr. MIKVA, Mrs. MINK, Mr. MITCHELL, Mr. MOLLOHAN, Mr. MORSE, Mr. NIX, Mr. O'HARA, Mr. PEPPER, Mr. PODELL, and Mr. REES):

H.R. 7846. A bill to amend the Federal Water Pollution Control Act to provide for its uniform application to all of the navigable waters of the United States and to provide financial assistance to States and municipalities for water quality enhancement and pollution control, and for other purposes; to the Committee on Public Works.

By Mr. DINGELL (for himself, Mr. RODINO, Mr. ROYBAL, Mr. RYAN, Mr. SARBANES, Mr. SCHEUER, Mr. SEIBERLING, Mr. JAMES V. STANTON, Mr. STOKES, Mr. SYMINGTON, Mr. VAN DEERLIN, Mr. VIGORITO, and Mr. YATRON):

H.R. 7847. A bill to amend the Federal Water Pollution Control Act to provide for its uniform application to all of the navigable waters of the United States and to provide financial assistance to States and muncipalities for water quality enhancement and pollution control, and for other purposes; to the Committee on Public Works.

By Mr. FLYNT:

H.R. 7848. A bill to amend the Railroad Retirement Act of 1937 so as to permit individuals retiring thereunder to receive their annuities while serving as an elected public official; to the Committee on Interstate and Foreign Commerce.

By Mr. HARSHA:

H.R. 7849. A bill to amend section 13 of the Federal Water Pollution Control Act relating to the control of sewage from vessels; to the Committee on Public Works.

By Mr. HÉBERT (for himself and Mr. ARENDS):

H.R. 7850. A bill to amend section 8692 of title 10, United States Code, with respect to pilot rating requirements for members of the Air Force; to the Committee on Armed Services.

By Mr. HULL:

H.R. 7851. A bill to authorize the Secretary of Agriculture to cooperate with and furnish financial and other assistance to States and other public bodies and organizations in providing an urban environmental forestry program, and for other purposes; to the Committee on Agriculture.

H.R. 7852. A bill to authorize the appropriation of additional funds for cooperative forest fire protection; to the Committee on Agriculture.

H.R. 7853. A bill to authorize the appropriation of additional funds for cooperative forest management; to the Committee on Agriculture.

By Mr. JOHNSON of California:

H.R. 7854. A bill to amend the Small Reclamation Projects Act of 1956, as amended; to the Committee on Interior and Insular Affairs.

By Mr. KOCH (for himself, Mr. ADAMS, Mr. BUCHANAN, Mr. DOW, Mr. FASCELL, Mr. FRASER, Mr. GARMATZ, Mr. HALPERN, Mr. HAWKINS, Mrs. HICKS of Massachusetts, Mr. MATSUNAGA, Mr. MAZZOLI, Mr. MITCHELL, Mr. NIX, Mr. PREYER of North Carolina, Mr. ROYBAL, Mrs. CHISHOLM, Mr. RANGEL, Mr. HARRINGTON, Mr. BINGHAM, and Mr. PODELL):

H.R. 7855. A bill to amend title V of the Social Security Act to extend for 5 years (until June 30, 1977) the period within which certain special project grants may be made thereunder; to the Committee on Ways and Means.

By Mr. LANDRUM:

H.R. 7856. A bill to amend the Internal Revenue Code of 1954 to increase the credit against tax for retirement income; to the Committee on Ways and Means.

By Mr. LINK:

H.R. 7857. A bill to postpone for 6 months the date on which the National Railroad Passenger Corporation is authorized to contract for provision of intercity rail passenger service; to postpone for 6 months the date on which the Corporation is required to begin providing intercity rail passenger service, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. METCALFE:

H.R. 7858. A bill to amend the Airport and Airway Development and Revenue Acts of 1970 to further clarify the intent of Congress as to priorities for airway modernization and airport development, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MINSHALL (for himself, Mr. BLACKBURN, Mr. COLLINS of Texas, Mr. KING, Mr. NICHOLS, and Mr. RARICK):

H.R. 7859. A bill to amend the Communications Act of 1934 to provide for more responsible news and public affairs programing; to the Committee on Interstate and Foreign Commerce.

By Mr. NIX (for himself, Mr. CLARK, Mr. EVINS of Tennessee, Mr. MADDEN, Mr. MEEDS, and Mr. SYMINGTON):

H.R. 7860. A bill making an appropriation to provide support for the Neighborhood Youth Corps summer support program for the summer of 1971; to the Committee on Appropriations.

By Mr. PRYOR of Arkansas (for himself, Mr. ANDERSON of Illinois, Mr. BARING, Mr. BIAGGI, Mr. BLACKBURN, Mr. BURKE of Massachusetts, Mr. CONTE, Mr. HATHAWAY, Mrs. HICKS of Massachusetts, Mr. MIKVA, Mr. PEPPER, Mr. PIKE, Mr. PREYER of North Carolina, Mr. RHODES, Mr. ROSENTHAL, and Mr. VANDER JAGT):

H.R. 7861. A bill to protect ocean mammals from being pursued, harassed, or killed, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. QUILLEN:

H.R. 7862. A bill to increase to 5 years the maximum term for which broadcasting station licenses may be granted; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL:

H.R. 7863. A bill to provide for the creation of an authority to be known as the Reclamation Lands Authority to carry out the congressional intent respecting the excess land provisions of the Federal Reclamation Act of June 17, 1902; to the Committee on Interior and Insular Affairs.

By Mr. SCHWENGEL:

H.R. 7864. A bill to provide that the value of survivor annuities payable under chapter 83, title 5, United States Code, shall not be taken into account for State inheritance tax or Federal estate tax purposes; to the Committee on Ways and Means.

By Mr. VEYSEY (for himself, Mr. ANDERSON of California, Mr. BELL, Mr. DON H. CLAUSEN, Mr. DEL CLAWSON, Mr. DANIELSON, Mr. EDWARDS of California, Mr. GOLDWATER, Mr. GUBSER, Mr. HANNA, Mr. HAWKINS, Mr. HOLIFIELD, Mr. HOSMER, Mr. LEGGETT, Mr. MCCLOSKEY, Mr. MCFALL, and Mr. MAILLIARD):

H.R. 7865. A bill to authorize the Secretary of the Interior to engage in a feasibility study of the Salton Sea project, California; to the Committee on Interior and Insular Affairs.

By Mr. VEYSEY (for himself, Mr. MATHIAS of California, Mr. MOSS, Mr. PETTIS, Mr. REES, Mr. ROYBAL, Mr. TALCOTT, Mr. TEAGUE of California, Mr. WALDIE, Mr. WIGGINS, Mr. BOB WILSON, Mr. CHARLES H. WILSON, Mr. MILLER of California, Mr. ROUSSELOT, and Mr. SISK):

H.R. 7866. A bill to authorize the Secretary of the Interior to engage in a feasibility study of the Salton Sea project, California; to the Commitee on Interior and Insular Affairs.

By Mr. WINN (for himself, Mr. DERWINSKI, Mr. SCOTT, Mr. KUYKENDALL, Mr. WHITEHURST, Mr. SPENCE, Mr. BRINKLEY, Mr. DICKINSON, Mr. BUCHANAN, Mr. FISHER, Mr. SCHMITZ, Mr. MCMILLAN, Mr. HALL, Mr. ARENDS, Mr. PIRNIE, Mr. STEIGER of Arizona, Mr. LENNON, Mr. SMITH of California, Mr. ESHLEMAN, Mr. DENNIS, Mr. LANDGREBE, Mr. YOUNG of Florida, Mr. MANN, Mr. VANDER JAGT, and Mr. MICHEL):

H.R. 7867. A bill to amend the Food Stamp Act of 1964, to exclude from coverage by the act every household which has a member who is on strike, and for other purposes; to the Committee on Agriculture.

By Mr. FULTON of Tennessee:

H.J. Res. 580. Joint resolution to instruct the President of the United States to release certain appropriated funds; to the Committee on Government Operations.

By Mr. RODINO:

H.J. Res. 581. Joint resolution to instruct the President of the United States to release cetrain appropriated funds; to the Committee on Government Operations.

H.J. Res. 582. Joint resolution to authorize and request the President to designate by proclamation the third week of May of each year, beginning May 16 through 22, 1971, as "The Week of the Young Child"; to the Committee on the Judiciary.

H.J. Res. 583. Joint resolution designating the last full week in July of 1971 as "National Star Route Carriers Week"; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI (for himself, Mr. ANNUNZIO, Mr. COLLINS of Illinois, Mr. GRAY, Mr. KLUCZYNSKI, Mr. METCALFE, Mr. MIKVA, Mr. MURPHY of Illinois, Mr. Price of Illinois, Mr. PUCINSKI, Mr. SHIPLEY, and Mr. YATES):

H.J. Res. 584. Joint resolution to instruct the President of the United States to release certain appropriated funds; to the Committee on Government Operations.

By Mr. SCHWENGEL (for himself, Mr. FRASER, Mr. ASPIN, Mr. BADILLO, Mr. BEGICH, Mr. BIESTER, Mr. COLLINS of Illinois, Mr. COTTER, Mr. CULVER, Mr. DRINAN, Mrs. GRASSO, Mr. HAWKINS, Mr. HICKS of Washington, Mrs. MINK, Mr. MOSS, Mr. PEPPER, Mr. ROBISON of New York, Mr. RUPPE, Mr. SYMINGTON, Mr. WIDNALL, Mr. MCCORMACK, Mr. MIKVA, Mr. BURKE of Massachusetts, and Mr. FASCELL):

H.J. Res. 585. Joint resolution to provide for the designation of the calendar month of May 1971 as "Human Development Month"; to the Committee on the Judiciary.

By Mr. STAGGERS:

H.J. Res. 586. Joint resolution consenting to an extension and renewal of the interstate compact to conserve oil and gas; to the Committee on Interstate and Foreign Commerce.

By Mr. HARVEY:

H. Con. Res. 281. Concurrent resolution designating the last full week in July of 1971 as "National Star Route Mail Carriers Week"; to the Committee on the Judiciary.

By Mrs. ABZUG (for herself, Mr. BADILLO, Mrs. CHISHOLM, Mr. CLAY, Mr. DELLUMS, Mr. EILBERG, Mr. HALPERN, Mr. KOCH, Mr. MITCHELL, Mr. RANGEL, Mr. RIEGLE, and Mr. ROSENTHAL):

H. Res. 410. Resolution to provide for an investigation by the Committee on the Judiciary of the administration and operation of the Federal Bureau of Investigation; to the Committee on Rules.

By Mr. PERKINS (for himself, Mr. THOMPSON of New Jersey, Mr. DENT, Mr. DANIELS of New Jersey, Mr. BRADEMAS, Mr. O'HARA, Mr. HAWKINS, Mr. WILLIAM D. FORD, Mrs. MINK, Mr. SCHEUER, Mr. MEEDS, Mr. BURTON, Mr. GAYDOS, Mr. CLAY, Mrs. CHISHOLM, Mr. BIAGGI, Mrs. GRASSO, Mrs. HICKS of Massachusetts, Mr. MAZZOLI, and Mr. BADILLO):

H. Res. 411. Resolution to disapprove reorganization plan No. 1 of 1971; to the Committee on Government Operations.

By Mr. PERKINS:

H. Res. 412. Resolution to authorize additional investigative authority to the Committee on Education and Labor; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EDWARDS of Alabama:

H.R. 7868. A bill for the relief of Alfred C. Copeland; to the Committee on the Judiciary.

By Mr. DANIELSON:

H.R. 7869. A bill for the relief of Daniel Chien-Sheng Lee; to the Committee on the Judiciary.

By Mr. PEPPER:

H.R. 7870. A bill for the relief of Jeptha P. Marchant and Joseph A. Perkins; to the Committee on the Judiciary.

By Mr. JAMES V. STANTON:

H.R. 7871. A bill for the relief of Robert J. Beas; to the Committee on the Judiciary.