

3 years not a single bushel of wheat has been sold subject to cargo shipment regulations. This has the effect of neither protecting our merchant marine nor assisting our agricultural producers in disposing of surplus. He believes policy should be revised.

Supplemental views have also been filed jointly by the gentleman from Georgia (Mr. BLACKBURN), the gentleman from Alabama (Mr. BEVILL), the gentleman from Mississippi (Mr. GRIFFIN), and the gentleman from Ohio (Mr. WYLIE). They point out that the Export Control Act authorizes the President to prohibit the export of material to any country without notification to, or approval of, the Congress. They believe such a complete embargo is tantamount to economic warfare, and therefore, the consent of Congress should be required. They propose to offer an amendment along these lines at the appropriate time.

The gentleman from Michigan (Mr. BROWN) has also filed supplemental views. He, too, believes that the economic and political realities of today and in the 1970's are fundamentally different than the situation during the postwar period. He proposes an amendment that requires the President to take into consideration the availability of a proposed export product for any nation we have a defense treaty commitment with in determining whether an export license should be granted for its sale abroad. He believes that to the extent our friends and allies operate under liberalized trading agreements, that we should revise our thinking in the matter rather than unilaterally removing ourselves from competing with them. He believes that this may be of assistance in arriving at mutual agreements with our friends and allies on which items should be made available and which restricted.

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

I urge the adoption of the rule.

Mr. MATSUNAGA. Mr. Speaker, having no further requests for time, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BARRETT. 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. 4293) to provide for continuation of authority for regulation of exports.

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. 4293, with Mr. ABERNETHY in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. BARRETT) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 30 minutes.

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

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

Mr. Chairman, the Committee on Banking and Currency met and, by a vote of 35 to 0, reported H.R. 4293, as amended, to extend and amend the Export Control Act of 1949.

The act provides the President with the authority to prohibit or curtail exports from the United States for reasons of national security and foreign policy, and to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand.

In the course of the hearings before the subcommittee on international trade, chaired by the gentleman from Ohio (Mr. ASHLEY), the question was raised whether the export control programs might be continued under other legislative authority, such as the Trading With the Enemy Act, and whether extension of the Export Control Act was necessary.

It was pointed out, in response that the Trading With the Enemy Act contains different criminal sanctions for violations than those found in the Export Control Act, and makes no provision for the civil penalty provided for in the Export Control Act.

A good deal of the flexibility available to the administration in the conduct of the control program would thus be lost.

Originally the bill H.R. 4293 called for a simple extension of the Export Control Act for 4 years.

As a result of 5 days of hearings, the subcommittee recommended an amendment which would provide for a 2-year, rather than a 4-year extension, in order to afford the Congress an opportunity for review within a relatively short period.

Extensions of this length have been more typical in the past since initial enactment of the act in 1949.

In view of possible changes in the near future in our foreign policy vis-a-vis Eastern Europe and in our foreign trade and balance of payments it was felt that a 2-year extension is more appropriate at this time.

A second amendment provides that reporting, recordkeeping, and export documentation requirements should be designed to reduce costs to the extent feasible consistent with effective enforcement and compilation of useful trade statistics. Testimony by both administration and public witnesses indicated that recent innovations in documentation and computer techniques point up the need for the Department of Commerce to revise and update its procedures for obtaining compliance with export control regulations and for collecting export statistics.

Superfluous requirements, according to testimony received are costing American exporters an added \$100 million annually. Hence, the committee is pleased to recommend legislation which would help to make American exports more competitive, without subsidy, particularly at a time when our trade surplus is all too slender.

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

Mr. Chairman, I rise in support of H.R. 4293, to extend the Export Control Act for 2 years. I think it is essential that Members understand what this legislation is and what it is designed to accomplish.

The Export Control Act provides the statutory basis for control over the great bulk of U.S. exports. Its policy objectives are to control exports to the extent necessary for reasons of national security, foreign policy, and short supply.

First, Section 3(a) of the act provides for denial of any requested authorization to export commodities or technical data from the United States "to any nation or combination of nations threatening the national security of the United States if the President shall determine that such export makes a significant contribution to the military or economic potential of such nation or nations which would prove detrimental to the national security and welfare of the United States." In administering the act, the Department of Commerce pursues certain key principles to fulfill this directive:

Controls are exercised over U.S. commodities and technology having significant national security aspects.

Particularly close control is exercised over the export to the Eastern European and Asiatic Communist countries of commodities and technical data that the United States and our COCOM allies have agreed to subject to multilateral control.

Control lists are continually reviewed to retain or tighten controls when warranted, and to relax or remove controls when no longer warranted.

Applications for licenses on individual export transactions are approved or denied following a determination on whether they would be detrimental to the national security and welfare. Such a determination is based on a full study of such factors as the nature of the item involved, the availability abroad of comparable commodities and the likely end-use or end-user, whether civilian or military.

The act permits peaceful trade with Eastern European countries, and its administration by the Department of Commerce is designed to facilitate such trade.

Second, Controls over exports are exercised, as necessary, to further U.S. foreign policy objectives and to fulfill U.S. obligations resulting from international agreements. At present, controls under this provision are exercised on exports to the Middle East, South Africa, Southern Rhodesia, Cuba, the Far East Communist countries, and on nuclear-related commodities in support of the Limited Nuclear Test Ban Treaty and U.S. nuclear nonproliferation policy.

Third, The controls are used to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand. At present, only nickel and copper products are under short supply control.

The bill as reported would add a new subsection (d) to section 6 of the act. This provides that reporting, record-keeping, and export documentation requirements shall be designed to reduce costs to exporters to the extent feasible consistent with effective enforcement and compilation of useful trade statistics. Action to revise these requirements is to be included in the first quarterly report issued after revisions are made. This requirement that the Department of Commerce revise and update its techniques for obtaining compliance with export control regulations and for collecting export statistics gives recognition to the developments which have and are taking place in documentation, computerization, and containerization of merchandise facilitating the movement of goods in our export markets. It is anticipated that the change will facilitate our trade and save our exporters substantial sums of money.

The act, in its present form, provides needed broad flexibility for the President to cope with any contingency. It is essential to give the President such flexibility during these troubled times.

I urge Members to support H.R. 4293.

Mr. BARRETT. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, the Export Control Act was enacted in 1949 as a temporary measure and as a necessary weapon in the evolving cold war. At that time Western Europe, still economically weak from the ravages of the Second World War, appeared to the Congress to be in realistic danger of attack from the monolithic Sino-Soviet bloc under the leadership of Stalin; and it was further believed, comparing our industrial might with both Eastern and Western Europe at that time, that goods withheld from the Soviets by means of controls on American commodities could not be elsewhere obtained.

Responding to the aggressive, monolithic communistic structure which confronted the free world in 1949-50, two separate administrative agencies were established to impose restrictions on free world trade with Eastern Europe. One was our own Office of Export Control and the other was the combined COCOM apparatus by which Western Europe, Japan, and the United States sought cooperatively to withhold certain goods and commodities from the Communist-bloc countries.

It is normal for a country to impose export controls in case of war or other overriding national emergencies. Our 20-year export controls are not of that character. With specific exceptions—as when there are shortages of particular commodities because of strikes or other reasons—the whole machinery of U.S. control has been directed to one end—to severely limit exports to the Communist countries.

This is illustrated by the fact that these two mechanisms, the Office of Export Control and the COCOM, both designed to restrict trade with the Communist nations, have never been closely coordinated. For example, commodities

such as milk and cream, not controlled by COCOM, require a validated license for export to some countries of Eastern Europe, but not for export to Poland and Rumania. The wide differential in goods we control unilaterally, but which are not controlled by COCOM, continues in the face of the congressional mandate set forth in section 2(2) of the Export Control Act that:

It is the policy of the United States to formulate, reformulate, and apply such controls to the maximum extent possible in cooperation with all nations with which the United States has defense treaty commitments, and to formulate a unified commercial and trading policy to be observed by the non-Communist-dominated nations or areas in their dealings with the Communist-dominated nations.

The Subcommittee on International Trade received testimony indicating that we continue to unilaterally control hundreds of categories of goods on political grounds. Testimony taken by the subcommittee indicated that even now, 2,029 commodity categories are under control for such countries as Bulgaria, Czechoslovakia, Hungary, and the U.S.S.R., while 1,753 of these are controlled for Poland and Rumania, at the same time that COCOM has designated 552 categories for control.

The United States has demonstrated an almost compulsive tendency to regard the denial of trade with Communist nations as a primary instrument or weapon of the cold war, whether trade be in strategic or nonstrategic goods. The countries of Western Europe and Japan, on the other hand, have sought through COCOM to prevent strategic exports to Communist bloc nations, but they have regarded trade in nonstrategic goods and commodities to be not only in their commercial interest but also a means of reducing East-West tensions.

West European allies have seen the embargo as playing into the hands of Stalin. It enabled him to consolidate control in the Communist bloc and forced the small Eastern European countries closer to the Soviet Union. On balance, they have seen the embargo as resulting in a strengthening of the military-industrial sector of the Communist bloc. Under the circumstances, it has been advantageous to the Kremlin.

The United States has exerted a tremendous effort to enforce the embargo. U.S. measures have been so stringent that we have risked American political good will with our allies. West Europeans have further resented the accompanying American economic intelligence work within their countries. They have found U.S. pressures alien to a voluntary alliance.

What has been the net effect of this costly and, to our allies, abrasive effort? Any realistic appraisal must admit that the Soviet Union has become a highly industrialized, technologically sophisticated nation with a military force capable of engaging any adversary in the world. The embargo has failed to shift the balance of power. Communism has not been, and it is now even less likely to be, blockaded out of existence.

The Soviet economy, unlike the smaller

East European countries, is practically self-sufficient. Total Soviet imports represent a mere 4 percent of the country's gross national product. It is rich in natural resources. Modern science permits great flexibility through substitute alternatives. A bottleneck approach simply does not work with a nation of such natural endowments and technological level. Besides, the embargo items are not unknown to the Communist intelligence network and, in some respects, the list has aided Soviet planners with important information for determining what commodities to purchase, produce, or stockpile.

At this stage of development, the United States has at least as much to gain as the Communist countries from mutual trade and the barring of this trade today is hurting us more than them. This is true because they can find substitute suppliers for almost everything important, while we cannot find substitute markets in a time when we need more exports desperately, and the concept that we have almost all the advanced know-how and products while they have very little is out of date. As far as the export controls are concerned, we have already lost much leverage for concessions from the Communist countries. At the same time, the controls on commercial goods continue not only as an irritant to our allies but as a loss in business to U.S. firms.

If there is any question about this, we need only consider the fact that the trade of Eastern Europe with the non-Communist world in 1967 was almost \$14 billion, of which Western Europe and Japan accounted for almost \$9 billion. The United States is virtually a non-participant in this trade; while we account for about 16 percent of world exports, we have only about 3/10 of 1 percent of the exports to Eastern Europe. It is worth mentioning, too, that East-West trade has more than doubled during the past 10 years and has grown faster than trade either within the Eastern European bloc or among the Western countries themselves. Over the past decade, world trade has been growing at about 8 percent a year, while East-West trade has been growing at about 12 percent. But because of the frozen trade policy pursued by the United States, we have forfeited any advantage from this increased commerce, and in so doing have given other trading nations a most unique and enviable competitive position.

From the standpoint of our national security and the conduct of our foreign affairs, which of course remain paramount in our consideration of export controls, as well as from domestic economic considerations, we have moved into a period in which the Congress should maintain a close, in-depth review of our export control laws with a view to reshaping them in light of political, economic, and technological changes taking place in Western Europe, Japan, and the Communist countries of Eastern Europe.

Just as the special drawing rights needed to be created in order for the world economy to grow and for the U.S. economy to grow with it, so,

too, must long standing nontariff barriers to our export trade, including those we have ourselves created, such as our export controls, be more closely and more frequently scrutinized as to their necessity.

Hence, the committee voted unanimously to reduce from 4 years to 2 the time for which the act should be extended.

Mr. Chairman, the direct exclusion of so many of our exports from the Eastern European market has not been without added side effects which have contributed still further to the deterioration of our competitive position in world trade. The desire to severely limit exports to the Communist countries has, over the years, spawned a system of enforcement implemented by an extremely elaborate machinery and a great deal of involved procedure without regard for the cost, both to the government and to the exporter. The elaborate enforcement procedures have continued after better means of control have been discovered. For a long time, proposals for simplifying the policing of the Export Control Act met with little or no action by the Office of Export Control.

Until the Committee on Banking and Currency voted unanimously in favor of the amendment offered in committee by my distinguished colleague from California, Mr. REES, providing that reporting, recordkeeping, and export documentation requirements shall be designed to reduce costs to the extent feasible consistent with effective enforcement and compilation of useful trade statistics, the way in which the enforcement of the current Act was being carried out was costing American exporters an added \$100 million annually just to process one outmoded document, the shippers' export declaration. Until then, the American export community had been meeting for over a year and a half with the Office of Export Control in attempts to do away with one wasteful practice.

The Subcommittee on International Trade heard convincing testimony on this problem from the export community. And in testimony before the subcommittee, Assistant Secretary of Commerce Kenneth Davis admitted that—

Recent developments in documentation, computerization, containerization of merchandise, and continuous movement of goods require revision and updating of our techniques for obtaining compliance with export control regulations and for collecting export statistics.

Yet it was not until the Committee on Banking and Currency by a unanimous vote recommended adoption of the amendment that Secretary of Commerce Stans announced important changes, effective October 1 and November 1, in export documentation requirements consistent with the amendment and the testimony of public witnesses.

Prior to these changes, which are described in the Federal Register—volume 34, No. 180—for September 19, it has been necessary to prepare a separate document to accompany every export shipment with a value of over \$100. The cost of preparing and processing each shippers' export declaration has been

estimated at more than \$160. The export shipments from the United States number between 9,000,000 and 10,000,000 annually, valued at more than \$30 billion. This means that many millions of separate pieces of paper have had to be separately prepared to satisfy the Office of Export Control's requirements. This method of policing each individual shipment labored under the misapprehension that all shipments violate the Export Control Act until and unless proven otherwise.

In this philosophy of enforcing the act, the Office of Export Control in its 83d quarterly report, covering activities for the first quarter of 1968, discussed the results of its work. For the preceding fiscal year, when more than 6 million shippers' export declarations were caused to be prepared, it is stated that:

During 1967 the Department's Office of Export Control opened 169 preliminary inquiries and 210 new investigations. Last year these investigations resulted in the referral of 29 cases to the Department's Office of the General Counsel for consideration of administrative or criminal-civil actions. The Department's Office of the General Counsel referred six of these cases to the Department of Justice for consideration of criminal prosecution.

During 1967 the Department recalled to the United States one shipment valued at \$13,854. In this instance, there were reasonable grounds to believe the shipment would ultimately be diverted to a proscribed destination.

Under statutory authority separate from the Export Control Act, the Bureau of Customs is empowered to seize and have forfeited to the U.S. commodities thereunder. During 1967 District Directors of Customs seized 208 shipments, which the Customs Bureau appraised at \$29,276.

During 1967 this civil penalty was invoked once, against a carrier, who was fined \$1,400 for minor violations of the export regulations.

From this experience it seems obvious that the method of policing practiced until now did not pass the test of practicability. It was almost like diverting the entire military attention of the United States to another possible annoyance in Anguilla.

Effective October 1, exporters will not be required to file shipper's export declarations for general-license shipments—those not requiring a validated export license from the Office of Export Control—to free-world countries when the shipments are valued at \$250 or less. This change alone could eliminate 1½ million documents a year, or almost 20 percent of the total now required. At the same time, it would affect statistically only about 1 percent of the dollar value of U.S. exports.

Effective October 1 high volume exporters meeting requirements established by the Office of Export Control and Bureau of the Census have the option of filing monthly export declarations instead of a declaration for each export shipment to free world countries of goods under Department of Commerce jurisdiction. Reports may be filed in specified written summary form or provided appropriately on computer tape or punched cards that are compatible with systems used by the Bureau of the Census.

This change will reduce paperwork on

export shipments as the number of qualified exporters availing themselves of this option increases.

Under a proposed rule change to become effective November 1, exporters no longer will be required to submit export declarations to the Bureau of Customs for authentication before loading merchandise moving under Department of Commerce general licenses to free world countries by air or sea. Instead, they may submit the documents directly to carriers that agree to review the declarations for acceptability before loading and to forward them subsequently to Customs.

This proposed change could affect between 85 and 90 percent of all declarations covering shipments to foreign countries other than Canada, which already is exempt from the preauthentication rule. The effect could be to reduce the expense of documentation processing and runner time, reduce storage and demurrage costs caused by delays in paperwork, and speed export shipments.

Mr. Chairman, without danger to our national security, this represents an important step to our efforts to expand our country's commercial exports. The action of the committee to which this reform is related constitutes a congressional mandate, the rejection of which now could only be interpreted as a repudiation of a significant measure to expand peaceful trade.

I urge adoption of the committee amendments when they are offered.

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

Mr. BARRETT. Mr. Chairman, I yield the gentleman 2 additional minutes.

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

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

Mr. GROSS. What is the definition of "peaceful goods"?

Mr. ASHLEY. That of course is an administrative judgment which is reached through a committee system of representatives from our defense establishment, representatives from the Congressional establishment, representatives from the Department of State and so forth. They arrive at these definitions.

In response to the gentleman's question, I think he will be amused to find that some of the goods we are excluding include the following: insecticides, weed killers, waxes, cotton tire cord, tobacco cures, water purifiers, prepared knots and tufts, cotton or wool, for broom or broom making.

These are some of the commodities that are included in the restricted list.

Mr. GROSS. Would tools and machines to make automobile crankshafts be "peaceful goods"?

Mr. ASHLEY. It would depend, I suppose, on their ultimate use. If they are used for automobile making, I doubt if they would be considered strategic, that is, with respect to COCOM, but I would have to look at our own export control list to make sure.

Mr. GROSS. Could you use an internal combustion engine to power a tank or an airplane?

Mr. ASHLEY. The gentleman is quite

right. If I understood his question, he is quite right. There is simply no real effort on the part of our Export Control Office to distinguish between those goods and products such as brooms and wigs, which are obviously only for peaceful use, and other products which might perfectly well have a use of strategic importance to the consumer.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas (Mr. MIZE).

Mr. MIZE. Mr. Chairman, the purpose of the Export Control Act and the basic reason for its extension without crippling amendment is to provide the President with flexibility in controlling commercial trade with the Communist bloc. Under the terms of the act, the President has authority to license trade or to restrict it if the national security is involved. Those who support the act, without amendment, look to the Executive branch to make crucial day-to-day decisions on individual commodities and products if our security is not to be jeopardized.

Since the list of items which properly should be embargoed frequently changes—sometimes quite rapidly by congressional standards—the Export Control Act of 1949 provides the best protection by calling upon the Department of Commerce to continually review and regulate our trade flow with the East.

Many feel the Department of Commerce exceeded its authority under the act, however, in 1963. While negotiating a massive wheat sale to the Soviet Union, representatives for the then President Kennedy required at least 50 percent of the shipment to be transacted on American-flag bottoms. The U.S. merchant fleet was unable to accommodate the surge in business at that time, so the requirement was waived on much of the 1963 consignment. But the Department, acting under extreme pressure from shipping interests, and certain unions promulgated regulations which made the 50 percent cargo preference, and other part-cargo requirements, a continuing obligation and prerequisite to trade in several agricultural commodities.

In 1963 wheat was in very short supply in the bloc countries. Today, regrettably, the Soviet Union has a surplus of wheat along with every major producing nation in the world. Competition for wheat sales is intense. Under restrictions imposed by cargo preferences and part cargo requirements, the United States has been priced out of the market in bloc countries, to the positive detriment of shippers and farmers in the United States.

In supplemental views to the committee report on the extension of the Export Control Act, I urged the Nixon administration to repeal these discriminatory regulations. Issued under apparent authority vested by the Export Control Act, they bear little relation to the language or legislative intent of the act. Students of these preferences contend that they are wholly unsupportable and illegal as artificial restrictions to purely commercial trade.

I call attention to my supplemental views, and sincerely hope that other Members will join me in urging the De-

partment of Commerce to repeal the cargo preferences on wheat and feed grains trade with certain bloc countries:

SUPPLEMENTAL VIEWS OF HON.
CHESTER L. MIZE

The Department of Commerce should discontinue its practice of imposing discriminatory shipping requirements as a condition to obtaining a license to export wheat and feed grains to several East Europe destinations. These restrictions became effective at the time of a 1963 Presidential decision to sell a large quantity of wheat to the Soviet Union. Since that time, they have remained in force, and having effectively denied a significant market to U.S. grain shippers and farmers.

Since the 1963 Soviet wheat purchase, the Department of Commerce has administered the Export Control Act in such a fashion that at least 50 percent of all wheat and feed grains sold to several Eastern European countries is required to be shipped on U.S.-flag vessels. Testimony before committees of both Houses of Congress has convinced me that these restrictions, imposed on all such sales whether or not they are "Government sponsored" or purely private commercial transactions, are in violation of at least 30 commercial treaties in force between the United States and other nations of the world.

In addition to the questionable legality of the Commerce regulations requiring cargo preferences on grains, there has been an unacceptable practical result: The preferences deny U.S. grainmen markets which they desperately need in a period of world oversupply and buyer's market.

The preferences make the U.S. price unacceptably high. From U.S. gulf ports to Black Sea ports, U.S.-flag shipping rates average about \$18 per long ton on ships of over 20,000 tons displacement. Comparable foreign vessels will ship the commodities for about \$7 per long ton. This disparity in shipping rates has been the reason, by and large, for the failure of American sales in the years the preferences have been in force. During fiscal years 1965 through 1968, the United States shipped just under 2.5 million bushels of wheat to affected destinations. During the same period of time, Canada shipped 551 million bushels; Australia shipped 53 million bushels; and France shipped 102 million bushels. The United States was able to make sales in countries where the restrictions do not apply. In those same years, our sellers shipped 138 million bushels to Poland and Yugoslavia.

I considered offering an amendment to the Export Control Act placing a specific prohibition against the preferences. However, I declined to do so because the origin of the restriction is not in a congressional act but in a decision made by the executive branch. The preferences, therefore, should be removed by the executive branch.

In the past 3 years not a single bushel of U.S. wheat has been sold to any nation subject to cargo preference shipments. Thus, any supposed protection or benefit for the U.S. merchant marine is wholly illusory. The 75,000 members of the maritime union have had no shipments to carry; therefore, they have had no work guaranteed them by the preferences. On the other hand, 1 million U.S. wheat-farmers and thousands of shippers and consignors have been frozen out of a market in which they otherwise would have been competitive bidders.

Meanwhile, the U.S. surplus of wheat has risen to over 800 million bushels, and could soon reach 1 billion bushels. This year, severe allotment cuts for wheat farmers were necessary due to oversupply at home and abroad.

The preference wrongfully interfere with sales of nonstrategic goods. They contribute to the financial burdens of the United States, for they require grain to be stored at home, at Government expense, when it could be

sold abroad. Most important of all, they contribute to the crisis of our faltering agricultural exports, which is partially responsible for disgracefully low market prices for commodities in the United States.

Elimination of cargo preferences would in no way curb the flexibility which the administration desires in the Export Control Act. Just as before, any shipment to any Eastern European country could be prohibited for reasons of national security or foreign policy or domestic short supply. Cargo preferences in no way contribute to the stated legislative goals of the Export Control Act.

I support the administration's desire for flexibility. To this end, I have supported a straight extension of the act, without amendment. But I call upon the executive branch to eliminate discriminatory restrictions on purely commercial trade. They are probably illegal; they are certainly unsupportable from a budgetary point of view. They are clearly not in the best interests of all the people.

I should observe that cargo preferences on "Government-sponsored shipments" have historic precedent. Those shipments, such as food-for-peace consignments, are entirely independent of any criticism I have advanced here. As national policy, we have decided that Government-sponsored shipments should be consigned to a large extent on U.S.-flag ships. I have no basis for opposing that policy—there is good evidence to show that without those preferences, the U.S. merchant fleet would become insolvent through inability to compete on the high seas.

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

Mr. MIZE. I am glad to yield to the gentleman from North Dakota.

Mr. KLEPPE. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from Kansas (Mr. MIZE), and join him in urging the Department of Commerce to eliminate discriminatory cargo preferences and part cargo requirements on shipments of wheat and feed grains to selected Eastern European destinations.

The executive branch has the authority, under the terms of the Export Control Act, to restrict or prohibit shipment of any commodity or product to any bloc country for national security reasons. I would urge nothing to deny the President that authority.

Cargo preferences, however, are based upon Commerce regulations using the Export Control Act as apparent legislative authority. There is, of course, nothing in the language or legislative history of the act which calls for cargo preferences on commercial shipments of wheat and feed grains. The preferences are in violation of commercial agreements this Nation has an obligation to honor. They are applied to commodities determined to be nonstrategic. Their effect has been to deny a lucrative market to U.S. farmers and shippers that they otherwise might well enjoy as competitive bidders.

During the past 3 years, there has been no U.S. sale of wheat or feed grains to any Nation covered by the preferences. Meanwhile, our Canadian, Australian, and French competitors have conducted a lively trade in wheat with those very countries.

I congratulate the gentleman from Kansas for his forthright and well-reasoned supplemental views calling for elimination of cargo preferences on pure-

ly commercial sales. There could be no more appropriate time for such action, for never has competition for commodity sales been more intense among exporting nations. U.S. farmers have an 800-million-bushel carryover in wheat that must, in substantial part, be sold abroad if prices in the market place are to be improved. One million U.S. wheat producers, and thousands of consignors, have a direct financial stake in the elimination of cargo preferences on purely commercial sales.

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

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

Mr. ZWACH. Mr. Chairman, I thank the gentleman for yielding. I also wish to associate myself with the most important remarks of the gentleman from Kansas and to express the hope that they can be implemented. This is most important to our agricultural foreign trade.

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

Mr. MIZE. I am happy to yield to my distinguished colleague from the great State of Kansas.

Mr. SHRIVER. Mr. Chairman, I want to join with my fellow Kansan on the Banking and Currency Committee (Mr. Mize) in calling on the Department of Commerce to discontinue discriminatory shipping requirements as a condition to obtaining a license to export wheat and feed grains to Eastern Europe.

Since 1963, the Department has required at least 50 percent of all wheat and feed grains sold to selected Eastern European countries to be shipped on U.S.-flag vessels. The unintended result has been a complete cessation of such sales. U.S.-flag shipping rates average about \$18 per long ton compared to about \$7 per long ton on foreign vessels. Thus, this executive branch decision has made the U.S. price for these commodities unacceptably high, and not a single bushel of U.S. wheat has been sold to the nations in question for 3 years.

The publicized justification for this regulation was the protection of our merchant marine. However, since the regulation has eliminated all of these sales, there obviously can be no benefits to shipping interests.

The practical effect has been the freezing of a potential export market for our 1 million U.S. wheat farmers. Our wheat surplus may soon reach 1 billion bushels, a situation which has led to drastically low domestic market prices and severe allotment cuts for next year's crop.

There is no legitimate reason for continuing this regulation. It has not worked, and it has caused much damage to an important segment of our economy. It should be discontinued.

Mr. ANDREWS of North Dakota. Mr. Chairman, I wish to associate myself with the remarks of my colleague from Kansas (Mr. Mize) and I want to congratulate him for calling attention to the discriminatory Executive order which requires at least 50 percent of all wheat and feed grains sold to Eastern European countries be shipped in American bottoms.

Since this restriction has been in ef-

fect, since 1963, I have objected to it as an intolerable situation without justification. Spokesmen for the maritime industry have insisted that this restriction is essential in order to maintain this country's merchant fleet at a level necessary for defense purposes. I presented this view to then Secretary of Defense Robert McNamara in 1966 when he appeared before the Foreign Operations Subcommittee of the Appropriations Committee, and he replied:

I will say without any qualification that I see no excuse for insistence on the use of U.S. bottoms for shipping anything other than military goods as a foundation for maintaining a merchant marine capability for defense purposes.

That same year Secretary of State Dean Rusk told our subcommittee the solution must be worked out "between the maritime unions and the maritime industry."

The fact is, the net result of this restriction has been our merchant fleet has been shipping 50 percent of nothing because these countries are not inclined to pay the premium price this restriction imposes on U.S. wheat and feed grains.

Mr. Chairman, I want to join with my colleagues in urging President Nixon to rescind this Executive order.

Mr. SEBELIUS. Mr. Chairman, I appreciate very much the opportunity to comment on the remarks of my distinguished colleague, CHET MIZE, concerning a matter of vital importance to the wheat industry.

I am greatly concerned that the Commerce Department has used the Export Act since 1963 to place wheat and feed grains in a special category for export regulations.

I have been unable to find any evidence that the existence of the 50-percent shipping requirement helps the U.S. merchant fleet or any other segment of our economy. I believe that it is a self-defeating device that has limited U.S. agricultural trade opportunity and has weakened our position in world trade.

Agricultural producers should be given equal opportunity to compete in world markets without restrictions presently imposed by the Department of Commerce policy. With intense competition in world trade, this regulation has resulted in the elimination of U.S. wheat and feed grain markets in Eastern Europe. The important role of wheat and feed grains in our critical balance-of-payments situation is another important consideration in reviewing this regulation.

This discriminatory trade practice tends to defeat our efforts to improve trade relations with the Eastern European nations.

The existence of this regulation actually undermines our attempts to get other industrial powers to remove non-tariff barriers to trade.

I think it is significant that the entire agriculture community has urged in recent hearings before the Senate Banking and Currency Committee that the Department of Commerce discontinue this practice of imposing discriminatory shipping regulations as a condition to obtaining a license to export wheat and

feed grains to several East Europe destinations. The list is most impressive: The American Farm Bureau Federation, National Association of Wheat Growers, Grain & Feed Dealers National Association, Grain Sorghum Producers Association, National Corn Growers Association, National Council of Farmer Cooperatives, National Federation of Grain Cooperatives, National Grange, North American Grain Export Association, U.S. Feed Grains Council, National Grain Trade Council, and the Chicago Board of Trade.

Although an amendment to the Export Control Act would not be an appropriate vehicle for removing this discriminatory trade practice, I want to emphasize my strongest possible support for the request of my good friend and colleague, CHET MIZE, that the Department of Commerce discontinue this trade practice involving our wheat and feed grain industry.

Mr. BARRETT. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana (Mr. RARICK).

Mr. RARICK. Mr. Chairman, this afternoon we consider extending the Export Control Act which will otherwise expire at the end of this month.

After hearing the remarks on the floor and examining the existing law, I am in favor of letting it expire. The absence of any law would offer greater national security than this law.

The American people have been led to believe that this law restricts trading in strategic materials with Communist nations. It apparently does no such thing. What it does is conceal from the American people the names of those who are thus trading with the enemy under Government license. The tenor of the debate makes it plain that big industrialists and not small businessmen are the Americans so favored.

The American people know who the enemy is and reserve the right to regard and treat them as such. The Government should guarantee that they are, in fact, able to exercise this basic right—by publishing the names of firms who are doing business with Communist countries. If the people, then, wish to build any bridges they may do so voluntarily. But if the man and woman who has a son in Vietnam would prefer to see to it that none of their personal dollars go to a firm trafficking with their son's potential killers, they may. Perhaps, in this way, the Government will bring official policies into line with the expression of the national will.

If this law did what it was intended to do—restrict shipment of strategic material to Communist nations—I would certainly be in favor of its extension and its strict enforcement. If we allow it to expire it is possible that a new law which will actually do what Americans thought this one was doing can be enacted.

It is amazing that most of the debate here today indicates this law is being clandestinely manipulated to conceal the identity of the large business interests who deal with the enemy. Members have reported that licenses are refused to small businessmen to export items in the nature of brooms, milk, and cheese. But on the other hand, we find that the off-

cial export control report of the Department of Commerce tells of the licensed export of sophisticated industrial machinery including automatic piston machine, automatic crankshaft machine, and industrial furnaces, as well as cold-rolled carbon steel sheets, electronic computers, and scientific and electronic instruments and equipment made in the United States going behind the Iron Curtain.

Mr. Chairman, I include in my remarks at this point excerpts of the report to which I referred:

EXPORT CONTROL REPORT

EXPORT LICENSING TO EASTERN EUROPE

Commodity applications approved

License applications for commodities valued at \$36.8 million were approved for export to Eastern Europe during the third quarter 1968. Principal destinations were the U.S.S.R., \$15.2 million, and East Germany, \$9.3 million. This third quarter total compares with \$44.1 million approved in the previous quarter and \$23.1 million approved in the third quarter 1967.

Industrial machinery accounted for \$15 million of the total value approved, principally to the U.S.S.R., \$11.3 million, and Rumania, \$1.5 million. The passenger automobile plant being built by FIAT in the U.S.S.R. was the destination for \$10.8 million of these goods, including automatic piston machines, \$5.1 million, automatic crankshaft grinders, \$2.3 million, and industrial furnaces, \$1.3 million.

Agricultural commodities valued at \$12.3 million were licensed for export, primarily to East Germany, \$7.4 million; Hungary, \$2.7 million; and Czechoslovakia, \$1.5 million. These commodities were corn, \$8.5 million; yellow grain sorghums, \$2.3 million; and flax, \$1.5 million. Chemicals worth \$5.3 million were approved for export to Eastern Europe. The U.S.S.R. was the destination for \$3.3 million of these, including aluminum oxide worth \$1.4 million.

Cold-rolled carbon steel sheets valued at \$1.4 million were approved for export to Rumania. Other approvals for Eastern Europe included electronic computers, peripherals, and statistical machines, totaling \$1.7 million; and scientific and electronic instruments and equipment, totaling \$1.2 million.

EXPORT LICENSING TO CUBA

The Department approved exports to Cuba worth \$12,533 during the third quarter 1968. These exports consisted of insecticide sprayers, worth \$11,960, for the Pan American Sanitary Bureau's yellow fever program; clothing, personal effects, drugs, and medicals, valued at \$523, for American citizens detained in Cuba; and \$50 worth of parts for a teletype printing machine used in connection with refugee flights from Cuba.

I would like to ask the chairman of the committee if he is familiar with the fact that in this quarterly report under the Export Control Act they talk about the licensing of these commodities to Eastern Europe. The report says, moreover, that industrial machinery accounted for \$15 million of the total value approved, principally going to the U.S.S.R., and that the passenger automobile plant being built by Fiat in the U.S.S.R. was the destination for \$10.8 million of these goods, including automatic crankshaft grinders, \$2.3 million; and for industrial furnaces, \$1.3 million.

I would like to ask the chairman if these matters were brought up in any of the committee hearings on the bill and what was done by the committee to try

to put some teeth into this law to stop this practice?

Mr. BARRETT. I shall yield to the gentleman from Ohio (Mr. ASHLEY) in order to respond to the gentleman, but before I yield to him I would state to the gentleman from Louisiana that this was all nonmilitary, nonstrategic material.

Mr. RARICK. I believe I have the floor, Mr. Chairman. Excuse me just 1 minute and let me make this comment. Some of my boys are serving in Vietnam. Recently we have heard a lot about the fact that the Russians are now putting tanks into North Vietnam and also Russian helicopters.

If we have been shipping to them automatic piston machines and automatic crankshaft grinders, these are sophisticated machine tools. Machines which make pistons and crankshafts do not care what type of machinery the pistons and crankshafts will operate. When they are placed into items of military hardware, such as tanks and helicopters, might that not be classified as strategic—even military?

If you are going to build gasoline engines to be used in automobiles, they can be taken out of the automobiles and used to power helicopters, tanks, or other of military equipment. We know that Volkswagen engines are used—by amateur mechanics, even—to power light aircraft.

I include at this point in my remarks news stories relating to the presence of Soviet bulldozers and helicopters in Vietnam:

RUSSIAN BULLDOZER CAPTURED

A SHAU VALLEY.—A Russian-built bulldozer has been uncovered in the A Shau Valley.

The enemy equipment was found recently by Lt. Col. Joseph L. Hadaway, commanding officer of the 3rd Squadron, 4th Cav., 9th Infantry Division while flying over the area in search of Communist trails and bunker complexes.

The bulldozer was partially buried and hidden by brush on the valley floor. It is a model resembling the U.S. Army's D-6 dozer both in size and estimated capability.

Hadaway contacted the 59th Engr. Co. (Land Clearing) to make the actual recovery of the vehicle.

The commander directed the engineer unit's bulldozers as they cut a road to the Russian-made equipment. After recovery, the dozer was taken to FB Rendezvous.

Lt. Col. Stuart Wood Jr., commander of the 27th Engr. Bn. remarked, "It's rather surprising to come upon a piece of enemy equipment which is more or less the counterpart to some of your own. Possibly, it was building a road just like ours—only from the opposite end.

"We've decided to make the machine operational, if possible," he added.

The task of putting the vehicle in operating condition again is under the direction of Lt. Robert A. Goodell, the battalion maintenance officer.

He commented that the dozer was in fairly good shape. "I think our main problem is going to be replacing unrepairable parts. I don't know if the Russian equipment uses metric threads," he said.

SOVIET-BUILT COPTERS USED BY NORTH VIETS

SAIGON.—The North Vietnamese are now using a small but significant force of Soviet-built helicopters in Laos and Cambodia, U.S. officers reported Wednesday.

Some of the helicopters are the world's

largest, capable of speeding troops and cargo from North Vietnam to bases in those two countries adjacent to South Vietnam.

The choppers operate at night at near tree-top level along the route of the Ho Chi Minh trail stretching down from Vietnam through Laos and into Cambodia.

Officially, the U.S. Command has no comment on the reports. A ranking officer admitted, however, that such reports had been cropping up and that it was known the North Vietnamese had a force of Soviet-built helicopters available.

There has been no visual sighting of the helicopters from the Vietnamese side of the frontier. The reports have come from agents from radar sightings and at least one prisoner of war who reported being brought from North Vietnam to Cambodia in a troop-carrying helicopter.

Most of the helicopter sightings have been by radar. So far as is known, none has been shot down.

"They operate almost every night," one U.S. officer reported. "They prefer to operate when there is no moon or when the weather is overcast. On moonless nights we get 20 to 30 reports."

BIGGEST IN WORLD

They are put down in American intelligence reports the same way that flying saucers are listed, as "unidentified flying objects."

One type in operation is the Mi6, code named "Hook" in American military parlance, U.S. officers say. The biggest helicopter in the world, it can carry up to 120 people or around 2.2 tons of cargo.

It gets its name "Hook" because a hook often is suspended from the helicopter to carry additional cargo.

Another type believed in operation is a "Flying Crane" helicopter capable of transporting tanks such as the Soviet-built PT76 models that hit a U.S. Special Forces Camp at Ben Het recently.

Ben Het is in the central highland just across from a densely jungled area of northern Cambodia largely controlled by the North Vietnamese. This is the farthest south that enemy armored vehicles have entered into combat.

In addition to the giant choppers, the Russians are believed to have furnished liaison and light observation helicopters.

Military officers do not expect the enemy to move troops by helicopters to the Vietnamese side of the border. With American control of the air, anything more than a hit-and-run mission would be suicidal.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Chairman, I rise today to propose an amendment to the bill under consideration, a bill to extend the Export Control Act of 1949. As you are aware, with the authority granted to the President under the Export Control Act, he can declare an economic embargo against any nation as he sees fit through the institution of certain procedures described under section 3 of this act. He does not have to inform the Congress of his action or ask the Congress for their consent. The power to regulate commerce with foreign nations is invested with the Congress by the provisions of our Constitution. It is an abdication of our duty to allow the President to institute such proceedings without some action by the Congress.

A complete embargo is tantamount to a declaration of economic warfare. I do not believe that the President should be allowed to declare economic war upon any nation without first receiving the consent of the Congress. At this time,

when the Congress is concerned over the foreign commitments of this Nation, it should be giving equal attention to economic commitments. An economic embargo is a national commitment and, therefore, the Congress should pass upon it. Today I am proposing an amendment which will require the President to obtain the consent of Congress before he can maintain any long-term economic embargo. We are aware that international situations can arise in which immediate executive action is required. A prime example would be the Cuban missile crisis.

I stipulate in my amendment that the President can impose an embargo for 60 days without first receiving the consent of the Congress, but if consent is not obtained within the stated period the embargo is immediately lifted and cannot be reimposed for at least 12 months without first obtaining congressional authorization.

During the past few years, we have seen an ever-increasing share of the power of Congress over international relations delegated to the Chief Executive. As representatives of the people of the United States, the Congress has a responsibility to pass upon matters of economic importance which affect the international trade policies of the United States. I believe that my amendment is a step in restoring some control over this vital area of the foreign commerce policies of the United States.

All Members of this body know that the international trade policies of our Nation have a direct impact upon the daily affairs of our citizens whether they be laborers, managers, or investors. The Members of Congress, as spokesmen for these citizens, should exercise authority in the area of international economic policy commitments.

Therefore, I urge the Members of this body today to favorably consider my amendment when it is read for approval.

Mr. BARRETT. Mr. Chairman, we have no further requests for time.

Mr. WIDNALL. Mr. Chairman, at this time I yield 5 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Chairman, I had not expected to take time during general debate on this bill, but I do so in order to ask the gentleman from Georgia (Mr. BLACKBURN) a few questions about the significance of his proposed amendment.

As I understand the gentleman, his is an astonishing attempt to try to restrict what the Export Control Act actually delegates to the executive branch, and I wonder what he is attempting to accomplish.

In the first place, the amendment, as I understand it, refers to an embargo on exports, which are supposed to be substantial or total in their effect. But the act itself does not even use the word "embargoes." It is basically an export control act, trying to restrict certain goods of a national security nature from countries that might use them in ways hostile to us.

True, we have delegated that responsibility to the Executive. As I understand it, the gentleman does not trust those in the

executive branch to carry out their responsibility to prevent certain goods from falling into the hands of an enemy. Does he feel there must be an automatic lapsing of those controls, unless the Congress takes affirmative action?

I will be glad to yield to the gentleman to answer the question.

Mr. BLACKBURN. Yes, if the gentleman will yield.

Mr. FRELINGHUYSEN. I yield to the gentleman.

Mr. BLACKBURN. This act, of course, deals with the whole spectrum of export policy and there can be no greater export control, of course, than total prohibition against an export to any nation.

Mr. FRELINGHUYSEN. May I point out to the gentleman—

Mr. BLACKBURN. In that regard, if the gentleman will allow me to continue, I think my amendment certainly addresses itself well to this act.

Now the implication that I or the Congress does not trust the Chief Executive, I think is an improper implication. It is not a question of trust—it is a question of responsibility.

As I read the Constitution, the responsibility for the regulation of foreign commerce does rest with the Congress. I think it is a matter of policy to which we address ourselves today; the question, to what extent should the Congress have a right to delegate completely its responsibility to the Chief Executive.

Mr. FRELINGHUYSEN. I might say that all the gentleman's amendment would accomplish, if I understand it correctly, would be to hamstring the Executive in what the legislative body has said we would like the Executive to do. That job is to define what kind of goods should not be exported to certain countries, if this amendment were approved, it would not be possible for a decision on export controls to stick unless we took affirmative action to support the Executive.

Yet, if we take affirmative action, we have added nothing to what the Executive has already done. If we take negative action by saying in effect that we think certain goods which those in the executive branch think are strategic are not then these goods could go to those who might possibly be enemies or might possibly use the goods in ways that are inimical to our national security. To suggest that this act itself covers any kind of control over exports or embargoes is not—I hope—quite true. At least I hope the gentleman's amendment does not attempt to interfere with the embargoes that the United States has agreed to. Would it apply to embargoes applied at the United Nations with respect, quite frankly, to Rhodesia? I had assumed that perhaps that was the objective that he was seeking, to prevent the Executive from applying such an embargo.

Under this act is there authority for the Executive to act in this area or not?

What he seems to be driving at is trying to change or check on the nature of goods that can be exported, or the countries that may be exported to. I do not see what would be accomplished by this kind of hamstringing. Actually, it would require affirmative action by Con-

gress regarding a great deal of complicated lists that have been developed, and which change from time to time. It is all very well to suggest that the Congress should have certain prerogatives with respect to international trade. Congress has been exercising its prerogatives. In this case it has delegated certain responsibilities to the Executive, an action which I think is entirely appropriate.

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

Mr. FRELINGHUYSEN. I yield to the gentleman again.

Mr. BLACKBURN. Well, I suspect that you and I just have a difference of opinion, and I respect your right to differ with me.

Mr. FRELINGHUYSEN. I might say that I am unclear what the objective is of the gentleman—whether he really thinks that by undoing what the executive branch is attempting to do in restricting imports is going to accomplish very much, except perhaps to release goods that otherwise would not be allowed to leave our shores, and to release them to those that I would assume the gentleman would not want to benefit.

Mr. BLACKBURN. If the gentleman will yield, in the first place I do have some confidence that this body will exercise its responsibility with good judgment. I think if the administration makes a reasonably good case for its export policies that they will be supported by this body. But I for one do not, to put the parallel, mistrust the Executive with what I consider to be exercising the responsibilities of this body.

Mr. FRELINGHUYSEN. Is the gentleman attempting in any way to interfere with national commitments that have been made at the U.N., or with respect to the total embargo placed on certain goods from Rhodesia?

Mr. BLACKBURN. I would be willing to be very candid with the gentleman, to do so, but I do not think the amendment could have that effect, because this embargo to which you refer was placed as a result of the U.N. Participation Act. But the President in his proclamation also cited the Export Control Act as a part of the authority that he was utilizing.

Mr. FRELINGHUYSEN. So does the gentleman think that this amendment in some way could tie the President's hands with respect to international commitments which have been made and which have been endorsed on several occasions by the United States at the United Nations?

Mr. BLACKBURN. I am not going to try to look that far into the future. I, for one, am perfectly willing to look into some of these commitments and determine for myself, and I will ask Congress to make the determination.

Mr. FRELINGHUYSEN. The gentleman is not answering my question. If there is any possibility that this might in any way restrict obligations which this country has entered into at the United Nations; if that might be the effect, I think that is an automatic reason for opposing it most strongly.

Mr. BLACKBURN. If the gentleman will yield further for a quick response, I do not interpret this as having any

effect on the United Nations Participation Act.

Mr. FRELINGHUYSEN. I do not believe the administration has had any opportunity to evaluate the effects of this particular amendment.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, we are here today discussing the extension of the Export Control Act. Probably the most significant aspect of that law is its strategic goods provisions. The strategic goods provisions of the Export Control Act are in the law because we wish to control and deny receipt of certain exports to certain nations whose interests are inimical to our own. Probably when we look at it from that standpoint it would be more appropriate for us to call this act the "Unfriendly Nations Receipt Control Act," because that is the basic objective of the act. By these provisions of the law we intend that nations whose interests are inconsistent with ours will not get goods from our exporters which will help them and be detrimental to our national security.

But that law, in order to be effective, must do more. It must have an impact above and beyond our own exporters if we are going to deny receipt of goods to unfriendly nations, to Eastern Europe and to the Russian bloc nations.

The 1949 enactment of the Export Control Act reflected circumstances and conditions that existed at that time. Our friends and allies in 1949 were not competitive in the export market because they did not possess the necessary level of sophistication in technology, nor the productive capacity, to be competitive. Therefore our unilateral controls through the Export Control Act were adequate for controlling receipt of goods by unfriendly nations.

Today is a different story. Our friends and allies are aggressive traders. They oppose controls on trade with the East and do not restrict their industries in the export of goods to the extent that we do ours.

The net effect is ironic. Our Export Control Act provides our friends and allies with an unchallenged market and denies to our industries a market for their goods.

This harms our balance of trade, yet does nothing to further the objectives of the Export Control Act, because elimination of our source of supply to the East does not prevent the receipt of the same goods from Western Europe, Japan, and other free world nations.

Modification, I think, is needed. When we talk about modification, we have two routes we can take. The first I consider to be the realistic approach, and the other is an approach which I think is politically unacceptable.

I reject as politically unacceptable modification which has as its policy liberalization of our definition of strategic goods and trade therein. I reject as unrealistic a continuation of the present policy which does not accomplish our objective, but penalizes our industries and our workers and really harms our balance of payments situation.

In view of this I propose to offer two amendments. Briefly stated the first will give much more flexibility to the President in determining what items can be controlled. Presently the "findings" of the Export Control Act deal only with "materials." My language would add to the word "materials," the words "information and technology," so that the President under the Export Control Act would have the right to control the export of not only materials, but information and technology which would be detrimental to the national security of the United States. Therefore, the President is given broader authority to control by this amendment.

My second amendment is probably the crux of the strategic goods question. It provides very simply and, I might add, very realistically that the President in determining the impact upon our national security of an export, shall look at the availability of that export elsewhere—not elsewhere in the East, but available elsewhere from a friendly nation, a nation with which we have a defense treaty commitment.

At this time I will not expand further upon the amendments.

I think the previous administration was wrong in thinking we could at this point in time, with the problem in Vietnam, get the American people or even the Congress to think politically acceptable, legislation which would liberalize the definition of strategic goods and trade therein.

At the same time, I think it is unrealistic for the present administration to advocate a straight extension of the act, when they don't deny that most of the things I have said are true, and in fact admit that they are using availability elsewhere" as a factor in making some of their present decisions. I think Congress should approve use of that factor and do it now.

(Mr. LIPSCOMB (at the request of Mr. WIDNALL) was granted permission to extend his remarks at this point in the RECORD.)

Mr. LIPSCOMB. Mr. Chairman, the purpose of the bill before the House of Representatives at this time, H.R. 4293, is to extend the Export Control Act of 1949, as amended, for an additional period of time, until June 30, 1971. I support this legislation.

It is because of the Export Control Act of 1949 that we have a program under which items and data proposed to be exported from the United States are systematically evaluated to determine whether their shipment to various destinations would be in keeping with our national interests.

The export control program is an important element in our national defense effort. It is necessary that we have the machinery to help prevent shipments of equipment and data which can help to build up the economic and military potential of Communist nations. This is why it is so essential that the act be extended.

The bill would also amend the Export Control Act by adding a clause stating that in every way feasible reporting requirements under the act should be kept

at a minimum to reduce as much as possible the cost for reporting, record-keeping and export documentation consistent with effective enforcement and compilation of useful trade statistics. Attempting to help reduce nonproduction costs is a worthwhile goal in that it could help ease the economic impact of the program on exporters and to that extent such a provision would in my view not be objectionable and in fact could represent a useful addition to the Export Control Act.

I would trust however that in carrying out such a provision the Department of Commerce, which administers the Export Control Act, would exercise every due care to be absolutely assured that the effectiveness of the program is not diminished through weakened reporting requirements. Certainly, too, it should by no means be viewed as a reason or excuse to halt issuance of the Department publication entitled "Export Licenses Approved and Reexports Authorized" which is issued on a daily basis. Several years ago an attempt was made to halt this publication and from all appearances the basic reason for that proposal was to withdraw the document from public scrutiny so the people would not know what is going on in this area, such as what kind of export licenses are being issued, to what countries exports are authorized for shipment, value of the goods, equipment or data sold, and so forth. The attempt should not be repeated.

Though the primary purpose of H.R. 4293 is to provide essentially a straight extension of the Export Control Act this legislation touches on issues much more involved than just the matter of extending the program. It is regrettable that over the years, in spite of the need for a strong export control program because of the threat posed by Communist aggression, the Export Control Act has been administered in such a way that increasingly less stringent policies have been followed in policing the flow of goods to the Communist nations. With the export Control Act due for extension, there have been persistent efforts to seize the opportunity to try to modify the language of the act in such ways which would have the effect of further diminishing its effectiveness in restraining shipment of commodities, goods, and data to the U.S.S.R. and other Communist nations. These efforts must be turned back.

It has been alleged, for example, that modifications are needed because the act is outmoded, that it is too restrictive, and so forth. These allegations in my view are simply without merit.

While restrictions on exports are also for the purpose of controlling short supply items and for foreign policy generally, the central purpose of the Export Control Act of 1949 is to control exports because of their significance to our national security. The act contains a declaration that the "unrestricted export of materials without regard to the potential military and economic significance may adversely affect the national security of the United States."

It provides that rules and regulations

adopted to carry out the act "shall provide for denial of any request of application for authority to export articles, materials, or supplies including technical data, or any other information, from the United States, its territories and possessions, to any nation or combination of nations threatening the national security of the United States if the President shall determine that such export makes a significant contribution to the military or economic potential of such nation or nations which would prove detrimental to the national security and welfare of the United States."

This language sets forth the very minimum we must maintain as a test to apply in determining whether proposed exports should be cleared for shipment overseas.

I certainly do not agree that the act is outdated or outmoded.

During these critical times there is a continuous need for a strong export control program. Secretary of Commerce Stans in a recent letter to me stated:

It is the Administration's position that this is not the time to significantly reduce our export controls unilaterally.

The argument is sometimes advanced that there is a large potential market in the U.S.S.R. and Eastern European countries for U.S. goods and commodities and that we are missing the boat economically so to speak if we do not practically scrap the Export Control Act and expand trade with those countries. This approach is misleading and is not based on reality. The hearings on the legislation to extend the Export Control Act contain repeated warnings that the potential for trade between the United States and Eastern Europe should not be exaggerated. A Commerce Department spokesman said that it is not likely to amount to more than 1 percent of our total annual trade in the foreseeable future, even with significant lowering of barriers to commercial East-West trade. It was testified that the prospects for an increase in nonstrategic trade with Eastern Europe and the Soviet Union under present conditions are modest at best.

Also, the impact of our export controls in limiting the volume of our trade with the Soviet Union and Eastern Europe has frequently been exaggerated. It is pointed out that in fact there are serious trade impediments on the part of the Eastern European countries. These include the inconvertibility of their own currencies on world money markets, the limited amounts of convertible currency they have to buy our goods, the fact that they are bilateral trade agreements extensively, the limited appeal in the United States of the kinds and qualities of goods and technical data they produce, the controls the Communists have on all aspects of their foreign trade that result from their totalitarian system of government.

Now, if we are not talking about a wide range or a large volume of goods, precisely what kind of trade is involved in references made to trade with the U.S.S.R. and Eastern European nations which comes under the controls by virtue of the Export Control Act of 1949?

What is involved to a considerable degree is sophisticated equipment, com-

modities, and technical data because the U.S.S.R. and other Communist nations are attempting to utilize the United States as a shopping center to obtain advanced equipment, techniques, factories, and supplies.

This means such items as electronic equipment, machine tools, petroleum equipment, mining equipment, chemical facilities, industrial processes, computers, and whole factories. Allowing Communist nations to buy such things here means that they can fill gaps in their industrial and economic makeup, or obtain prototypes to eliminate timely and costly research. In other words, they would capitalize on our industrial, scientific, and related achievements. At the same time it allows them to continue channeling inordinate amounts of their resources into military efforts, their space programs, and other high-priority programs which the Kremlin has decreed are needed to help advance the cause of communism around the world.

In this regard, it is sometimes stated that if we do not sell items to the U.S.S.R. and other Communist countries they will obtain them anyway from other Western countries. This argument for lessening export controls is invalid on a number of counts and likely will remain invalid for a long time to come.

A professor of economics, Prof. H. E. Michl, of the University of Delaware, during the hearings on this legislation assessed this argument very well when he said, in part:

The . . . argument of those who support increased trade, that we should supply these countries because if we don't they will obtain the goods from other countries of the West, is weak and, even if true, is immoral. It is not a fact that the East can obtain from other countries of the West the items they want most—items that embody sophisticated technology. Even when such items are available elsewhere they are frequently of inferior quality or are subject to long delays in delivery. To supply our enemies with goods and equipment which they can use against our troops in Vietnam or in future wars for the sake of a small decrease in the deficit of our balance of payments is, in my opinion, indefensible.

The Export Control Act should be extended. It should not be weakened. We must also require that it be administered in such a way so that we have maximum assurances that equipment, technologies, commodities, and data going to the U.S.S.R. and other Communist nations are not detrimental to our national security and welfare.

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

Mr. BARRETT. I yield such time as he may consume to the gentleman from New York (Mr. PODELL) for a very important report.

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

WELL, WHADDYA KNOW? THE METS ARE WORLD'S CHAMPS

Mr. PODELL. Mr. Chairman, when the greatest city in America, New York, goes in for any major effort, it goes all out, producing the best or most unique of almost anything it turns its hand to. Such is the case in political campaigns, some mayors, and professional football

and baseball teams. Not too long ago, a fearsome aggregation of behemoths from somewhere in Maryland encountered Joe Namath and the New York Jets. The Jets are now world's champions of professional football.

Today we have had a repetition of this wonder in professional baseball, for the New York Mets just became the world's champions as they have swept their fourth straight game in this year's world's series, and that another team from somewhere in Maryland has bitten the dust at the hands of our metro's Mighty Mites. New York City should change its name to "Championship City," because it is truly the city of champions.

The team beaten today by the Mets was a mighty mover and shaker in its day, striking terror into the hearts of all opposition. Astronomical was the number of runs they scored. Baseballs sailed out of stadiums wherever they went, and the moan of the opposing pitching coach was heard in the land and across their league, whose name also escapes me. Batting averages were stratospheric. Earned run averages were microscopic.

Enter David from the peaceful rural hamlet of New York City: The New York Mets of the National Baseball League. Words cannot describe the caliber of their play. An amalgam of the Bums and Giants, who followed the holy grail of more cash into the far-off interior, the Mets occupy a special place in all New York hearts. They are loved by the sufferin' fan. To the stupefaction of all save New Yorkers, the Mets won the pennant in 1969, demolishing a not-so-Brave team from somewhere in straight sets. The world series stage was set for their dismemberment, and the horse-laugh of the out-of-town sportswriter, oddsmaker and fan was heard across the Republic.

Today the New York Mets are world's champeens. Shades of Bedford Avenue and the "Duke." That I should have seen this day—that other team—are they still in the league?

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

Mr. PODELL. I am delighted to yield to the gentleman from Iowa.

Mr. GROSS. Was that statement cleared by the gentleman from Maryland (Mr. FRIEDEL)?

Mr. PODELL. It was concurred in after the ball game by the gentleman from Maryland.

Mr. HALPERN. Mr. Chairman, we are again engaged, as we have been eight times in the past 20 years, in deliberations as to whether the Export Control Act of 1949 ought to be extended. Actually, there does not seem to be too much controversy about its extension—most of us seem to agree that it ought to be extended. The controversy rather is centered primarily around whether it ought to be significantly changed in the light of the present realities of international trade, especially trade with the countries of the Communist bloc, against which the act is primarily aimed.

There is no doubt in my mind, Mr. Chairman, that in 1949 legislation designed to control and curtail the export-

tation of American goods and knowhow to the Soviet bloc, and especially to the Soviet Union, was well-advised. In 1949, you will recall, the memory of the Soviet Union's tightening of its grip on Poland and gaining control of Czechoslovakia the year before, was still fresh in everyone's mind. The cold war had escalated to fever pitch.

In addition to these political grounds for the economic isolation of the Communist countries, such a policy of isolation implemented by the United States appeared feasible also on economic grounds. The countries of the Soviet bloc, ravaged by the destruction wrought upon them by war operations, had barely begun to dig out from under the ruins and to rebuild their economies. In this process, they were in great need of supplies, raw materials and capital goods, from abroad. Most of their traditional suppliers, the countries of the industrialized Western Europe, had been themselves devastated by war and could not be, initially, counted upon to satisfy even partially the needs behind the Iron Curtain. The only potential supplier, economically strong and untouched by the ravages of war, was the United States. In 1949, then, interdicting or controlling U.S. exports to the bloc was tantamount practically to interdicting or controlling all significant exports to the bloc.

With the gradual recovery of Western economies, greatly helped by the Marshall plan, the exclusivity of the United States as the potential source of supplies for the bloc, gradually began to wane. True, the American program of export control was supplemented at an early stage by the international export control program, operating through the Consultative Group-Coordinating Committee network, whose effectiveness was further enhanced by the threat of sanctions embodied in the Battle Act of 1951. Yet, this threat of sanctions, tied as it was to Western Europe's dependence on American foreign aid, became less and less effective as our allies regained their economic strength and grew more and more independent of our assistance. Their economic recovery on the one hand provided the Soviet bloc with alternative sources of needed supplies and knowhow, and on the other hand, made any international export control system increasingly less subject to the U.S. pressures and more contingent on the willingness of our allies to cooperate in it.

Thus a situation exists today, Mr. Chairman, where our allies, who are at the same time members of the international export control system, follow, by and large, a considerably less restrictive and less discriminatory export policy toward the countries of the East. While they all support in word and deed the international program of strict control over clearly strategic materials and information, they also conduct with the countries of the Soviet bloc brisk trade in other commodities which the international consensus as expressed through the Coordinating Committee does not consider of prime strategic importance yet which the United States still persists

in subjecting to its own unilateral export controls.

I should like to emphasize that this international consensus is reached by agreement of all the COCOM members, including the United States, as to what types of export controls ought to be placed internationally and on what categories of commodities. Thus the United States seems to follow an inconsistent, not to say clearly schizoid policy in this respect. In international forums it is of the opinion that certain commodities are not strategic enough to be controlled as far as their exports to the Soviet bloc are concerned, while in its own bailiwick it still maintains controls over their exportation.

We may now ask ourselves, Mr. Chairman, what the net result of this somewhat confused and confusing export control policy has been. Has it really achieved the purpose for which it had originally been designed? I submit, Mr. Chairman, that it has not, at least not in the extent or the manner that would be really significant. I am quite willing to agree that by pursuing with the Soviet bloc a considerably more restrictive trade policy than our industrialized allies have, we have been expressing in a tangible way our special disapproval of the international policy of the Soviet bloc in general and of the Soviet Union in particular. But this can be classified only as an act of political import with but scanty bearing on economic realities.

In the extensive hearings before the Subcommittee on International Trade, of which I have the honor of being a member, the point was stressed repeatedly that our export control policy may have, indeed, initially retarded somewhat the economic recovery of the Soviet Union and its satellites and limited the subsequent technological development of some sectors of their economy. On the other hand, the same interdicting policy also spurred them, especially the Soviet Union, into relying almost exclusively on their own resources and developing a high level of industrial and military technology, perhaps even much higher than they would have felt the need to develop under less adverse and hostile circumstances. Let us admit that, if the intent of the U.S. export control policy has been one of preventing the Soviet Union from becoming a first rate world power, both economically and militarily, the policy has failed. I fear it has failed dismally.

Whatever significant or insignificant gains our policy may have made, it also placed our producers and exporters at a distinct disadvantage, for they could not and still cannot export to the Soviet bloc countries a whole array of commodities that our allies have been selling to them for years, all within the international regulatory framework to which the United States itself had agreed. I would like to point out the paradox of the situation. By its official action the United States permits a British, or German, or French, or Japanese manufacturer to make a sale which it does not permit one of our own businessmen to make. The bloc is not thereby deprived

of a Western commodity, but the American manufacturer of the same commodity has no chance at all of profiting from it.

It is high time, Mr. Chairman, to put an end to such an anomalous situation. There is, of course, no question about relaxing controls over the exportation of strategic commodities and know-how that would jeopardize our national security. But trade in peaceful goods, goods which our allies have been selling to the Soviet bloc with our consent for years, can only be of benefit to all concerned.

I would be, of course, overly optimistic if I expected that a relaxation of our export controls would or even could result in an immediate large increase in the trade between the United States and the Soviet bloc countries. I am fully aware that developing and expanding such trade ties takes time, especially in a situation where a lot hinges also on the policies and practices of one's trading partner. But I am firmly convinced that progress cannot be made unless the unreasonable fetters placed on such trade by our side are first removed.

Therefore, Mr. Chairman, I also intend to support any other legislative action that would be directed at eliminating any unreasonable and unwarranted restrictions on our exports.

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

The CHAIRMAN. There being no further requests for time, and no further comments on the New York Mets, 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 12 of the Export Control Act of 1949 (63 Stat. 9; 50 U.S.C. App. 2032), as amended, is amended by striking out "1969" and inserting in lieu thereof "1973".

COMMITTEE AMENDMENT

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

The Clerk read as follows:

Committee amendment: Page 1, strike out lines 3 through 5 and insert in lieu thereof the following:

"SECTION 1. Section 12 of the Export Control Act of 1949 (50 U.S.C. App. 2032) is amended to read as follows:

"TERMINATION DATE

"SEC. 12. The authority granted in this Act terminates on June 30, 1971, or on any prior date which the Congress by concurrent resolution or the President may designate."

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. ASHLEY

Mr. ASHLEY. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. ASHLEY: Page 2, immediately after line 4, insert the following:

"SEC. 2. Section 1 of the Export Control Act of 1949 (50 U.S.C. App. 2021) is amended (1) by redesignating subsection (b) as subsection (c), and (2) by inserting the following new subsection immediately after subsection (a):

"(b) Expanded trade in peaceful goods

and technology with all countries with which we have diplomatic or trading relations can further the sound growth and stability of the United States economy as well as further our foreign policy objectives.'

"Sec. 3. Section 2(3) of the Export Control Act of 1949 is amended to read as follows:

"(3) The Congress further declares that it is the policy of the United States to encourage trade in peaceful goods and technology with all countries with which we have diplomatic or trading relations, except to the extent that the President determines such trade to be against the national interest."

And redesignate the succeeding section accordingly.

The CHAIRMAN. The gentleman from Ohio (Mr. ASHLEY) is recognized for 5 minutes in support of his amendment.

Mr. ASHLEY. Mr. Chairman, I believe that it is time to give full congressional recognition to the value in expanding trade in peaceful goods and technology with the Soviet Union and the other countries of Eastern Europe; and I believe it is time our export control laws and policy implemented this objective.

The Export Control Act should be amended to include a finding that expanded trade in peaceful goods and technology with all countries with which we have diplomatic or trading relations can further the sound growth and stability of the U.S. economy as well as further our foreign policy objectives. The act should be further amended to include a declaration that it is the policy of the United States to encourage trade in peaceful goods with all countries with which we have diplomatic or trading relations, except to the extent that the President determines such trade to be against the national interest.

Let me emphasize that I am talking about trade in peaceful goods. The United States and COCOM nations would continue to maintain lists of products of direct military relevance which, indeed, should not be sold or transferred to Eastern Europe. These include direct military items, items in the atomic energy field, and a list of nonmilitary items which are considered to be closely related to the military capabilities of the Soviet Union and the other Communist nations of Eastern Europe. These items are embargoed and are not sold at all or if sold, are sold only after full consultation with the members of COCOM. This would continue to be the situation.

Briefly stated, the basis for this new finding is no more than a return to the historic and traditional policy of the United States to engage in world commerce with nations with whom we are not at war. Our Nation has many obligations but none is more important than our responsibility to the cause of peace. This cause, as we know from our history, can be promoted by contacts—including trade—with nations with whom we have very real ideological differences. It is equally clear that inflexibility and refusal to communicate and explore contacts can only foster deeper antagonisms and bring us closer to war.

There logically follows from this a new, additional congressional declaration in section 2 that it is the policy of the United States to encourage trade in peaceful goods and technology with all countries with which we have diplomatic

or trading relations, except those countries with which such trade has been determined by the President to be against the national interest. There has been an entirely unwarranted stigma attached to legitimate trade with Eastern Europe which has inhibited many firms from actively pursuing trade opportunities which would cumulatively serve our national security, foreign policy, and economic welfare. It is time to remove what may be even so much as a hint or trace of any such stigma.

As I indicated in my remarks in general debate, the Subcommittee on International Trade received testimony indicating that we continue to unilaterally control hundreds of categories of goods on political grounds. Testimony taken by the subcommittee indicated that even now, 2,029 commodity categories are under control for such countries as Bulgaria, Czechoslovakia, Hungary, and the U.S.S.R., while 1,753 of these are controlled for Poland and Rumania, at the same time that COCOM has designated 552 categories for control.

Hundreds of these commodities which we continue to control are viewed as peaceful, it seems, by everyone but our Office of Export Control. Consider, for example, the following which continue to be controlled: milk and cream; wheat, rice, barley, corn, rye, oats, grain sorghum; oil seeds, flaxseed and vegetable oils. The grains among these are subject to such restrictive requirements that they are virtually impossible to sell competitively from the United States.

Other examples of categories embrace all types of the following: Waste and scrap and reclaimed rubber, coloring materials, varnishes, insecticides, disinfectants, weed killers, waxes, farm tractor tires, sponge rubber and foam rubber goods, cotton tire cord, fiber glass yarn, glass in balls, rods, or tubes, cast iron soil pipe, hand tools for pipe threading, shoe lasts, ovens, furnaces, cane and maple syrup evaporators, crop dryers, forage dehydrators, tobacco curers, pulp and paper mill machines, water purifiers, softeners, filters and other machines for water treatment and sewage disposal, weighing machines and scales, propellers and paddle wheels for watercraft, electric steam cabinets for Turkish baths, face and hand dryers, storage batteries, electrical traffic control equipment, electrical components and parts for machinery and appliances, electrical apparatus and parts, nonmilitary buses, parts and accessories for nonmilitary vehicles, prepared knots and tufts, cotton or wool, for broom or brush making, vacuum bottles, jugs and chests, and miscellaneous manufactured articles, not elsewhere classified.

Here are some of the items destined for Eastern Europe which, in just the past few days, required a specific export license:

A \$184 control instrument for office building air conditioning in Czechoslovakia.

Door seals for passenger cars, valued at \$3, in the U.S.S.R.

Synthetic leather, valued at \$27,000, for the making of shoes in East Germany.

A motion picture sound track, valued at \$980, for Czechoslovakia.

Yellow corn, for animal feed, valued at \$6,100,000, broken into two licenses, for East Germany.

Chemical analysis equipment, valued at \$3,987, for wine products research, authorized for reexport from Switzerland to Hungary.

It should also be understood that thousands of items for which licenses to ship to non-Communist countries have been approved must be amended if the value of the shipment for one reason or another, changes. For example, a licensed shipment of resistors to Taiwan, changed in value from \$312,458 to \$317,649, required approval of an amended license.

In this attempt to police the world, the Office of Export Control requires validated licenses for the reexport of thousands of items from one free world country to another. Just the other day, it was necessary for one of our exporters to obtain specific permission to send \$4,382 of industrial chemicals from Belgium to Argentina. A license was required to send \$100 of synthetic resins from West Germany to France, and to send an oscillator valued at \$600 from West Germany to Italy.

Mr. Chairman, is it any wonder that our international business firms find it increasingly difficult to compete in the world economy? It costs more than \$160 just to process the shippers' export declaration. The licensing process itself is costly. Its use to inhibit the flow of peaceful goods in these times is indefensible. My amendment to the Export Control Act would mandate the Department of Commerce to shear the unwarranted shackles that have been put on our export trade. I urge its adoption.

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

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the many fine American military personnel of Swedish descent serving valiantly in Vietnam must be tragically disappointed by the ungrateful and morale-defeating attitude of the mother country, to which they bear close ethnic and emotional ties, for her harsh snub to the United States. Sweden, the European haven for American deserters and draft dodgers, has just announced plans to support Hanoi to the tune of \$40 million in loans and grants over a 3-year period. State Department information indicates that these moneys are scheduled to begin flowing to Hanoi next July 1.

Before Sweden can give these millions to an avowed enemy of the United States, we should insist this "professionally neutral" country repay the balance of her multi-million-dollar loans from the Export-Import Bank, which is wholly American supported. Even though amendments to the Export-Import Bank legislation demand a complete credit cutoff to any country aiding North Vietnam, those provisions do not go into effect before the fact. Consequently, Sweden could continue to borrow hard-earned American dollars until next July. It had obviously never occurred to Sweden that the U.S. Congress could be far-

sighted enough to enact legislation which would automatically stop any further dollar drain through the Export-Import Bank in situations like this. Sweden did not know there was a limit to just how much of an international patsy the American taxpayers could be forced to be.

The new Swedish Prime Minister, Olof Palme, former Minister of Communications, will be responsible for implementing this policy and has already announced his intention to increase Swedish aid to Cuba. His "credentials" include participation, with a North Vietnamese diplomat, in the anti-American torchlight parade which triggered the recall of the American Ambassador from Stockholm, and Palme's appearance in the highly controversial and allegedly pornographic Swedish film "I am Curious, Yellow."

The United States has always considered Sweden a friend worth aiding, both financially and with favorable trade agreements; but it is the height of folly for this country to support those who give aid and cash comfort to our enemies. Since when is friendship a one-way street?

The gentleman from Ohio (Mr. WYLIE) was the author of an amendment to the Export-Import Bank Act which cuts off loan applications to countries who give aid and comfort to the enemy. Is the same restriction in this bill and if not, should it not be?

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

Mr. SCHERLE. I yield to the gentleman.

Mr. WYLIE. In specific answer to the question of the gentleman from Iowa, the Export Control Act of 1949 does not contain language to which the gentleman has referred and which was incorporated in the act known as the Export-Import Bank Act of the United States.

As the gentleman suggested, an amendment was offered and adopted which would prohibit a loan from the Export-Import Bank to any country with which we are engaged in armed conflict, or to any country dealing directly or indirectly with any country with which we are engaged in armed conflict. The same restriction is not in the Export Control Act of 1949 specifically. Although I am told by persons in the Department of Commerce that the executive branch has imposed economic sanctions along the lines that the gentleman from Iowa has suggested and, as a matter of fact, no export trade is authorized with North Vietnam, Cuba, North Korea or Red China.

As the gentleman pointed out, however, Sweden has borrowed money from the United States through the Export-Import Bank which is wholly owned and wholly controlled by the United States, and Sweden is, in turn, loaning the same money—I suppose it is the same money—to North Vietnam.

Now, I compliment the gentleman from Iowa—

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

Mr. SCHERLE. I would prefer that the

gentleman from Ohio (Mr. WYLIE) be permitted to complete his statement.

Mr. WYLIE. I would just like to say that I compliment and agree with the gentleman from Iowa.

It seems to me that to trade with those who aid the war potential of an enemy nation that is at this moment killing our boys in Vietnam is a travesty and is morally indefensible.

The Export Control Act of 1949 (50 U.S.C.A., App. 2021-2032) in section 2, declares that exports should be controlled "to further the foreign policy" of the United States and enhance our national security. It further states that the United States should apply the controls in cooperation with allied nations in trading with Communist dominated countries.

The President is given broad authority to implement these policies by prohibiting or curtailing exports from the United States.

Common knowledge indicates that many of our allies and other friendly nations engage in active trading with our Communist enemy in North Vietnam. This trade strengthens the industrial base of North Vietnam and relieves pressure on their domestic economy, thereby helping place North Vietnam in a position to manufacture some of its own war materials.

I would like to urge the President to exercise every effort, legally and morally, to convince our friends and allies to refrain from trading with North Vietnam. If these efforts fail, I would suggest that the President take appropriate steps to curtail or halt all U.S. trade with those nations that trade with North Vietnam.

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

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

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

Mr. SCHERLE. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I think the record should be made clear. If the gentleman from Ohio is saying that the Export-Import Bank issued credit to Sweden, which in turn was loaned by Sweden to another country, then the gentleman has a rather remarkable misunderstanding of the Export-Import Bank. The Export-Import Bank finances domestic manufacturers in their sales abroad, so the statement by the gentleman from Ohio would be manifestly wrong.

Mr. SCHERLE. Along with good common business sense a principle also is involved. It would be utter hypocrisy to extract money from the American taxpayer and give it to a "neutral" country like Sweden and they in turn loan it to the very people who are dedicated to killing our boys on the battlefields of Vietnam. How stupid can we get?

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

Mr. SCHERLE. I yield to the gentleman from Ohio.

Mr. WYLIE. With reference to the statement by the gentleman from Ohio

(Mr. ASHLEY) in the Export-Import Bank bill it says that the bank shall not guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase of any product, technical data, or other information by a national or agency of any nation which engages in armed conflict, declared or otherwise.

And then there is another section which applies the same prohibition to a country which deals directly or indirectly with a nation with which we are engaged in armed conflict.

Mr. SCHERLE. Mr. Chairman, if for no other reason than principle alone, I think the amendment offered by the gentleman from Ohio (Mr. ASHLEY) should be voted down.

One ironic coincident is that on the very day that Sweden's Foreign Minister Nilsson announced that that country was going to grant \$40 million in assistance to Hanoi, the U.S. Tennessee Valley Authority awarded a \$2 million order for electrical transformers to ASEA, a Swedish heavy electric equipment company.

It is also my understanding that a group of junketing Swedish parliamentarians are soon to visit this country. They are reported to want to visit with American Congressmen. I am sure that the purpose of that trip is to find additional ways for Sweden to "tap the till" of the American taxpayer.

Mr. REES. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I speak in favor of the amendment because I think it is good business for the United States, and I think it is good for our foreign policy. Right now we have a group that you have heard about during the debate called COCOM, which is a group of industrialized nations, that have agreed upon a list of materials that will not be sent to Communist nations because these materials directly aid their war potential. But the list that we have in our Export Control Act is far more comprehensive than the COCOM list, includes many items not related to the military potential of a country. The problem for an exporter is that he has to deal with three different governmental agencies to try and find out what he can export to an Iron Curtain country.

I am an exporter by trade, although I have only dealt with Mexico. It is tough enough just dealing with non-Iron Curtain countries when you have to go through all the bureaucracy that we have in the Federal Government to obtain the export license and the export financing that you need.

When one has to go through COCOM to get an OK by the State Department and the Defense Department and the Commerce Department, it means money lost and at times a lost export because of the delay.

So American exporters of American products do not get into many of the Iron Curtain countries, and I think it is good that our products get there because it makes for a dependence on American technology and on American supplies.

Let me give you one example.

Yugoslavia, considered a "hard" Iron Curtain country in our Export Control Act, is in between. But Yugoslavia just a few years ago was a "hard" Iron Curtain country. Yugoslavia a few years ago did most of their trade with the Soviet Union and the Soviet bloc. But today Yugoslavia is dealing primarily with the Western bloc.

If you want to study their economy and ideology, you probably will find that Yugoslavia's economic system is closer to our own economic system than they are to the Soviet system.

Just last week it was announced that a consortium of Western banks from the United States and Western Europe, is now going into equity financing of investments in Yugoslavia.

So here is a country that was once a hard-line country. Now they were able to trade with the Western bloc and have developed a stable currency and become a member of the International Monetary Fund. We find Yugoslavia is independent—they are no longer a confirmed, iron-core Communist country. When we have a tragic event like the invasion of Czechoslovakia, we find that Yugoslavia has the guts and the independence to stand up and condemn this move.

Look at other Iron Curtain countries, for example, Rumania. Here is a country that is trying to develop an independent policy, independent from Soviet domination. I think we should be doing everything we can in our own foreign policy and in our own trade policy to try to encourage Rumania to have trade relations with the West and become less dependent on the Soviet bloc.

This amendment is a good amendment. It will build up our trade. As you know, our trade balance has been going into the red. We should be encouraging trade, not discouraging it.

An enlightened policy puts our products into a country where product dependence will be built up. Also, it means, eventually—looking at what has happened historically in the past—it will bring these countries closer to the United States and further away from the Soviet economic domination.

I am convinced that if we had had a more liberal policy with Czechoslovakia, the invasion might not have happened.

If we were able to grant Czechoslovakia the most-favored-nation treatment, and if we were able to develop a more liberal trade policy toward Czechoslovakia, perhaps the Soviet tanks would not have gone in there and smashed the Dubcek regime.

The amendment is good for the United States, and it is good for our business. It is good for our foreign policy. I would urge its adoption.

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

Mr. REES. I yield to the gentleman.

Mr. WYLIE. Are we not now exporting to Yugoslavia under this law?

Mr. REES. Yes. Yugoslavia is an exception from the Export Control Act, an exception from this bill. But what you have going on is that Rumania might bring this country into the same situation as Yugoslavia. This amendment would hasten this trend.

Mr. WYLIE. The point I am making is that under the present law, the executive branch could authorize trade with Czechoslovakia if it felt it to be in our best interest just as it has authorized exports to Yugoslavia; could it not?

Mr. REES. No; there are several restrictions. One is the most-favored-nation treatment not granted to other countries of the Iron Curtain except Poland.

The Executive does not have the power automatically to grant most-favored-nation treatment.

Mr. WYLIE. Is Yugoslavia a most favored nation?

Mr. REES. Yes; Yugoslavia and Poland are two countries that have most-favored-nation treatment. I think Rumania should be considering their foreign and economic policy.

Mr. WYLIE. Within the purview of the present law, could we not grant the same treatment to Czechoslovakia if in the opinion of the executive department such action was proper?

Mr. REES. This act has to do strictly with export control. What we are trying to do here is to remove nonstrategic goods from the control of the triumvirate of the bureaucracy that now controls export licenses.

Mr. WYLIE. I thank the gentleman.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Ohio (Mr. ASHLEY).

The question was taken; and on a division (demanded by Mr. ASHLEY) there were—ayes 10, noes 23.

So the amendment to the committee amendment was rejected.

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. LANDGREBE

Mr. LANDGREBE. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. LANDGREBE: On page 2, after line 4, insert the following:

"Sec. 4(c). No commodities, military or otherwise, shall be authorized for shipment to any foreign nation which sells or furnishes to North Vietnam or which permits ships or aircraft under its registry to transport to or from any equipment, materials or commodities or gives any form of assistance to North Vietnam."

Mr. LANDGREBE. Mr. Chairman, the wording of the amendment is almost identical to the wording of Resolution No. 89, which I introduced earlier in this session, and which so far has received no consideration. The wording and intent of the amendment are crystal clear.

For many years—actually, no one knows how many years—we have been involved in a military struggle with the small nation of North Vietnam. We have honored boundaries, sanctuaries, agreements. We have played by the rules. We have honored Geneva treaties on warfare. Yet, this flyspeck on the globe continues to infiltrate South Vietnam and continues to kill and maim a significant number of our troops as well as our friends in South Vietnam, civilian and military. It would be absolutely impossible for this small country to continue

to hack away, hammer away at us without the support of many of the major nations of the world.

I know there are many industries, and so forth, in this country that are most anxious to continue to expand their markets, and I am all for them—after a cease-fire has taken place. There is only one way in which we are ever going to bring about a cease-fire. We have pleaded with the North Vietnamese. President Johnson and President Nixon have done so. We have made every conceivable offer. It has even been suggested on the floor of the House this week that we completely withdraw our troops in the hope that the people of this tiny nation would be kind enough to stop shooting our people and stop murdering the civilians of South Vietnam.

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

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

Mr. GROSS. The gentleman's amendment is very similar to one which I offered to the foreign aid bill in 1967. The amendment was adopted by the House and, as is so often the case, it was lost in conference. I commend the gentleman for offering his amendment. It ought to be adopted.

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

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

Mr. REES. Mr. Chairman, under the gentleman's amendment any country that has any trade whatsoever with North Vietnam would be affected.

Mr. LANDGREBE. It would be excluded.

Mr. REES. Yes. So it would mean under the gentleman's amendment, it would be prohibited for the United States to trade in any commodity with any country that traded with North Vietnam.

Mr. LANDGREBE. Exactly right.

Mr. GROSS. Right. But all those countries would have to do would be to cease trading with North Vietnam, and it would not disturb our relations at all with them.

Mr. LANDGREBE. Mr. Chairman, I am really not interested in closing the factories of the United States, nor am I anxious to further cripple our farmers, but I am most terribly concerned about the number of American boys who are being shipped home from Vietnam in boxes, without any assistance or without any sympathy from those great nations such as West Germany and England and so on.

We are committed to fighting this battle and we fully believe our commitments there are good and proper, so how can we continue to trade and deal with countries who are aiding the enemy which is killing our boys and our friends?

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

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

Mr. RARICK. Mr. Chairman, I compliment the gentleman for the nobility of his purpose in offering this amendment. I think it is the solution to our floundering struggle for peace. If we dis-

continue trade with the countries trading with North Vietnam, we will have bloodlessly crippled that country's capacity to wage war. I wholeheartedly support the gentleman's amendment.

Mr. LANDGREBE. Mr. Chairman, I thank the gentleman from Louisiana.

I could repeat what I said and speak until midnight on my convictions about the Vietnam war—I have heard many other Members expound at length on this subject in the last few days—but I will close with a sincere plea to my colleagues on both sides to support this amendment.

Mr. BARRETT. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. REES), a member of the committee.

Mr. REES. Mr. Chairman, I rise in opposition to the amendment. If this were passed, it would mean we would have no exports to our major trading partners, including Japan, Great Britain, Canada, Mexico, Scandinavia, West Germany, Italy, and most other major trading nations. This would ruin our balance-of-payments situation. If Members think we have inflation now, it would be 10 times worse if this passed. We would have complete economic chaos in this country.

We must realize the countries which are supplying North Vietnam are primarily the Soviet Union and Red China, and very few supplies come from Western Europe and Japan. There are some exports from those countries, but they are not necessary to North Vietnam in their continuation of the war.

Mr. Chairman, I sympathize with those people who deplore the fact that our men are being killed in a questionable war, but the amendment will not help our Armed Forces; it will only ruin the United States economically and bring it into complete chaos by destroying our foreign trade.

Mr. FRASER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Eighty-four Members are present, not a quorum. The Clerk will call the roll.

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

[Roll No. 232]

Abbutt	Celler	Fisher
Albert	Clark	Flowers
Arends	Conte	Flynt
Aspinall	Conyers	Fountain
Baring	Cunningham	Fulton, Tenn.
Berry	Dawson	Garmatz
Blatnik	Dennis	Gibbons
Brasco	Devine	Griffin
Bray	Dingell	Haley
Brooks	Dorn	Hansen, Idaho
Brotzman	Dwyer	Hansen, Wash.
Brown, Calif.	Eckhardt	Harsha
Broyhill, Va.	Edmondson	Hastings
Burton, Calif.	Edwards, Calif.	Hays
Burton, Utah	Edwards, La.	Hébert
Byrnes, Wis.	Evans, Colo.	Horton
Caffery	Fallon	Hosmer
Cahill	Farbstein	Jarman
Camp	Fascell	Johnson, Calif.
Carey	Feighan	Jones, Ala.
Cederberg	Findley	Jones, N.C.

Kee	O'Konaki	Smith, Calif.
Kirwan	Olsen	Steed
Kluczynski	Patman	Steiger, Wis.
Kyl	Pepper	Stokes
Landrum	Pollock	Stubblefield
Latta	Powell	Taylor
Leggett	Price, Ill.	Teague, Tex.
Lloyd	Pucinski	Tunney
Long, La.	Quie	Utt
Lujan	Reifel	Waldie
McClory	Reuss	Wampler
McCloskey	Rivers	Watts
McMillan	Roberts	Whalley
Martin	Rodino	Wilson
Meeds	Rosenthal	Charles H. Wold
Mills	Rupprecht	Wright
Montgomery	St. Onge	
Morton	Saylor	
Murphy, N.Y.	Sisk	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ABERNETHY, 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. 4293, and finding itself without a quorum, he had directed the roll to be called, when 314 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Iowa is recognized.

Mr. GROSS. Mr. Chairman, the gentleman from California (Mr. REES), in his opposition to this amendment, said that he sympathizes with the Americans who are being killed in Vietnam. Perhaps this is understandable, because the gentleman from California (Mr. REES), also told us that he is an exporter.

There is not one thing that this amendment will do to injure any nation which is supplying the North Vietnamese Communists. All any nation needs to do to avoid being penalized is stop trading with the North Vietnamese.

I want to go further than sympathizing with dead men. I say to Members of the House it is time the Congress spoke out; it is time this Congress displayed enough morality to say to these countries that there will be no more trading with the United States if they are going to supply those whose principal interest these days is the killing of Americans.

Mr. Chairman, if the House rejects this amendment and again refuses to penalize those who are helping prolong the war in Vietnam, it will have made a mockery of the purpose of this legislation—export control—and I will have no alternative but to vote against it.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. RARICK).

Mr. RARICK. Mr. Chairman, we are considering an amendment which will prohibit trading with any country trading with North Vietnam.

Insofar as North Vietnam trade is concerned, there is only one trade that we should even consider—a trade of war prisoners.

There are no fewer than 40,000 reasons to support this amendment—40,000 Americans murdered by North Vietnam.

Mr. Chairman, all are acutely aware that in many instances our fighting men are being maimed and killed by sophisticated weapons. These weapons are known to be supplied to the enemy by

the nations to whom we are building trade bridges and others to whom trade dollars and profit are worth more than American lives.

Since our military is restrained from interdicting the flow of enemy weapons—the least we can do is to make sure that no American profits from the sale of weapons to kill other Americans. Fratricide for profit strikes most Americans as immoral. If it is our national policy that our fighting men not be permitted to win militarily, then we can most assuredly win this war economically—simply by ceasing to aid the enemy.

I wholeheartedly support the amendment and urge its adoption.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. BARRETT).

(By unanimous consent, Mr. BARRETT yielded his time to Mr. ASHLEY.)

Mr. ASHLEY. Mr. Chairman, this amendment in all truth should be defeated. I say that sharing the frustration of many who would tend to support the amendment because of the conflict in Vietnam. But, Mr. Chairman, the thrust of this amendment would be to make our export policy considerably more restrictive than it is today.

Let there be no question about this: The administration in office today opposes this amendment. The administration wants a straight extension of the Export Control Act on the basis that there is ample flexibility within the Export Control Act to achieve the purposes and the policies of this administration.

This amendment may have some superficial appeal, but Mr. Chairman, it could work against the very purposes that the author and supporters of this amendment have in mind. I urge its defeat.

Mr. FOREMAN. Mr. Chairman, I support this important amendment to halt all exports to, and trade with, those countries trading with North Vietnam. I regret that we cannot get a record roll-call vote on this vital matter.

So long as hostilities in Vietnam continue, so long as Americans are fighting and dying in a foreign land, it is immoral, it is unconscionable, and it is un-American not to use every available means to stop vital supplies from reaching the enemy, and flowing through channels provided by countries receiving American tax dollars in aid and grants and/or trade or exports.

The CHAIRMAN. All time has expired.

The question is on the amendment to the committee amendment offered by the gentleman from Indiana (Mr. LANDGREBE).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 53, noes 84.

So the amendment to the committee amendment was rejected.

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. Brown of Michigan: On page 2, after line 4, insert the following:

Sec. 5. Section 1(c) of the Export Control Act of 1949 (as so redesignated by section 3 of this Act) is amended to read as follows:

(c) The unrestricted export of certain materials, information, and technology may adversely affect the national security of the United States."

Mr. BROWN of Michigan. Mr. Chairman, although my interest in modification of the Export Control Act has been looked upon by some as reflecting a liberal approach, let me assure the Members that on this issue I am a hawk. I want an export control policy that works, not one that just penalizes our exporters.

The amendment which is before the committee at this time, one of two I shall offer, broadens the findings of section 1(b) of the Export Control Act of 1949 to conform to the 1965 amendment to the act, which gave the President authority to prohibit or curtail the exportation of "technical data and other information."

The amendment would further broaden the finding by removing the test of "potential military and economic significance" in regard to the exportation of materials which may adversely affect the national security. By removing those words "potential military and economic significance" the amendment reshapes the findings to accommodate the economic and technological changes of the past 20 years. The 1949 findings are limited to a condition that existed in 1949 and are unrealistic in light of the circumstances of today and of the 1970's.

Certain materials no longer fall within the category of military and economic significance, but still those materials might be detrimental to the security of the United States.

The amendment to section 1(b) would conform to the amendment of section 3(a), the intent of which is to give the President greater flexibility in determining what materials, information, and technology should be approved for export.

As I have said, this amendment basically broadens the discretion of the President as to what items may be controlled under the Export Control Act. He no longer will have to tie the denial of a license to a finding that this particular export has a military or economic significance. If it has any detrimental impact upon the national security of the United States he may deny the export license.

I believe the amendment should be adopted.

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

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

Mr. ASHLEY. Mr. Chairman, I rise to commend the gentleman from Michigan for his amendment. As I understand the purpose of his amendment, it is to introduce a fact of life with respect to the formation of the list of commodities to be excluded. It would require the Department of Commerce to consider availability as one of the criteria. Is my understanding correct?

Mr. BROWN of Michigan. The gentle-

man from Ohio is partially correct. The amendment which more specifically deals with the question of availability will be the second amendment I will offer. This deals with findings. The other deals with the alternative section of the statute. They complement one another.

Mr. ASHLEY. I thank the gentleman.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Michigan (Mr. Brown).

The amendment to the committee amendment was agreed to.

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. Brown of Michigan: On page 2, after line 4, insert the following:

"Sec. 4. The third sentence of section 3(a) of the Export Control Act of 1949 (50 U.S.C. App. 2023(a)) is amended by changing 'shall determine that such export makes a significant contribution to the military for economic potential of such nation or nations which' to read 'determines, taking into consideration its availability from other nations with which the United States has defense treaty commitments, that such export'."

The CHAIRMAN. The gentleman from Michigan (Mr. Brown) is recognized for 5 minutes.

Mr. BROWN of Michigan. I thank the Chairman.

Mr. Chairman, this is the amendment that the gentleman from Ohio (Mr. Ashley) alluded to, which, in simple terms, says that in determining whether or not an export license shall be granted or whether a commodity shall be denied the right of export, the President shall look to see what our friends and allies are doing. Then, if the export is readily available from our friends and allies with whom we have defense treaty commitments, that then a license can be granted.

This amendment adds new language to section 3(a). It requires matters to be considered in connection with controlling exports, such as the availability of such exports elsewhere. This amendment does not force the President to approve of an export that would be detrimental to the national security of the United States. It says, though, that in making such determination of the impact on our national security the availability of this export from nations with which we have defense treaty commitments—that the availability shall be taken into consideration and shall be a factor in determining whether an export license is granted or denied.

Now, why do we need this language? We need the language, I believe, because we need to have Congress tell the executive branch of the Government that we approve of this practice and approve of their looking to other friendly nations to see what they are exporting in determining what our policy shall be.

A further impact of this is in touchy areas where there are dual-use products and matters of that nature, where our administration, in negotiating with

friends and allies toward a multilateral policy of restrictions on trade, will be able to say, "If you are going to trade in these items, then we are going to trade in them, also." In many of these areas which are of questionable strategic value we can trade in them more advantageously and we can sell cheaper and, as a consequence, we would be getting the trade that other nations are presently getting. At that point in time our friends and allies will recognize that it would be as much to their advantage to put the item on the restrictive trade list as it would be to leave it off. In that way our export control policy would have a multilateral and multinational effect instead of an impact only on our exporters, as it presently has.

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

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

Mr. HANNA. Is the position of the administration that the gentleman's amendment would make export licensing easier or more difficult with regard to the arguments you have made?

Mr. BROWN of Michigan. At the outset I cannot speak for the administration, because it requested an extension and I am seeking a modification.

Mr. HANNA. Getting an export license is not easy in almost any respect and we are discouraging a tremendous amount of trade simply because we botched up our export licensing applications so much that businessmen are getting a little bit sick of it. I hope you are not making it more difficult than it already is.

Mr. BROWN of Michigan. The gentleman is correct. It would make it easier. He is correct on a further point, that a part of the problem is the delay in granting an export license. Granting an export license, even though it is eventually granted, oftentimes has an impact on denying to our exporters trade that they would otherwise have, which, of course, harms our balance of trade.

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

Mr. BROWN of Michigan. I am happy to yield to the gentleman from Ohio.

Mr. ASHLEY. Again, I think that the gentleman's amendment is a good amendment and should be adopted.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Michigan.

The amendment to the committee amendment was agreed to.

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. BLACKBURN

Mr. BLACKBURN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. BLACKBURN: On page 2, after line 4, add the following language to the committee amendment:

"Sec. 3. Section 3 of the Export Control Act of 1949 is amended by adding the following new subsection at the end:

"(d) (1) Except as provided in paragraph (2) of this subsection, any embargo imposed by the President against any nation shall

lapse sixty days after it is imposed or sixty days after the enactment of this subsection, whichever is later.

"(2) With the approval of Congress expressed by a concurrent resolution passed by both Houses within sixty days before or after the imposition of an embargo by the President against any nation or, in the case of an embargo in effect on the date of enactment of this subsection, passed within sixty days after that date, the embargo may be continued against that nation until such date as the Congress by concurrent resolution or the President may determine.

"(3) If an embargo against any nation has lapsed pursuant to paragraph (1) of this subsection or been terminated pursuant to paragraph (2), the President may not impose a new embargo against that nation within 12 months after the date of lapse or termination unless specifically authorized by legislation enacted after the date of enactment of this subsection.

"(4) As used in this subsection, the term 'embargo' refers to a total or substantially total embargo imposed under authority of this Act."

Mr. BARRETT. Mr. Chairman, will the gentleman yield to me?

Mr. BLACKBURN. I shall be happy to yield to the gentleman from Pennsylvania.

Mr. BARRETT. I wonder what effect the gentleman's amendment would have on the mandatory sanctions and international legal obligations of the United States?

Mr. BLACKBURN. I assume the gentleman is referring specifically to the Rhodesian embargo?

Mr. BARRETT. That is right.

Mr. BLACKBURN. My interpretation would be that this would not affect that situation, although I would be perfectly willing to approach that problem at the proper time with the proper legislation.

My understanding is that that is imposed by reason of the U.N. Participation Act, and it involves the authority of the President of the United States, acting under the U.N. Participation Act, under which this action was taken.

However, the Export Control Act is primarily aimed at restricting trade with Communist-oriented countries. I do not think there has been any charge that the Rhodesian Government is Communist dominated or Communist oriented. So I do not think this act is the one under which the President is acting.

Mr. BARRETT. Mr. Chairman, if the gentleman will yield further, I would like to ask the gentleman this question: Very frankly, I will say that the gentleman is one of the most capable members of our Committee on Banking and Currency and is well respected by the members of that committee on both sides. However, I am inclined to think that this type of amendment may distort our intentions with other countries throughout the world. It is my further opinion that if this were explored further by holding hearings, we could explore all its ramifications. However, at this time I am inclined to think I cannot support the gentleman's amendment.

Mr. BLACKBURN. I thank the gentleman from Pennsylvania for his candor.

I would like to point out to the Members of this body, however, that it is going to be at least 2 years before we

bring this back up for consideration—at least the lethargy of the House being what it is—it will be 2 years before this act expires. I think there is involved a very important policy matter upon which we must act today. It is an important question that I present to the House today: To what extent do we in the Congress have the right to completely delegate the authority under the Constitution to regulate foreign commerce?

I recognize the Chief Executive is charged with the duty of handling our foreign affairs, and that he must give us direction in the handling of foreign commerce. But I think that this body, as the spokesman for the people of the United States, should have some voice in deciding whether or not the President, acting under the authority of this act, should have the total power to declare total economic warfare against any country.

One of the things that has been debated in recent weeks is the degree to which the Congress is subject to some criticism, perhaps, for permitting the Bay of Tonkin resolution to be treated as a blank check for total involvement in Vietnam.

If the Congress is going to continue to permit its power to be eroded by legislation which the Congress enacts, then it is subject to criticism.

I think it is our responsibility to the people of the United States, before we allow economic warfare being declared against any nation, that the Congress should reflect the desires of the people.

Under my proposal the President could declare such an embargo for a period of 60 days without congressional approval, but during that 60-day period the Congress could look into the matter, could hold hearings, and then the Congress could pass a resolution approving it if in the opinion of the Congress such embargo should be continued.

What I am saying is that the Congress has the responsibility, and I think the people of this country have the right to expect us to shoulder that responsibility and not give it away. That is the reason that I have introduced this amendment before this body today.

Mr. Chairman, I yield back the balance of my time.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment offered by a member of the committee was never offered for consideration in the debate during the period of consideration before the Subcommittee on International Trade, or before the full committee.

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

Mr. ASHLEY. I yield to the gentleman from Georgia.

Mr. BLACKBURN. Mr. Chairman, I want the gentleman from Ohio to be completely candid with the Members of this body.

I circulated a letter. As I recall, at the first meeting we had of the subcommittee, before we started preparing any amendments, and before we decided what we were going to do about the bill, that there was an agreement that each

of us would circulate a letter outlining what we thought we might want to do in the way of amendments. I circulated this amendment to the members of the subcommittee. I later circulated it to the members of the full committee. I explained that because of the request of the administration that this bill should be brought before the floor of this House without any substantial amendment I withheld my amendment. But I told everyone from the very beginning that my amendment would be introduced.

So I certainly would take some exception to any implication that I have brought this in at the last minute without previous notice to the members of the committee.

Mr. ASHLEY. Mr. Chairman, I did not mean to infer any such activity, or motive on the part of the gentleman from Georgia.

However, I do not quite understand the differentiation in the offering of the amendment now and in failing to introduce the amendment in a timely fashion before the subcommittee, or before the full committee.

The gentleman says this was at the behest of the administration, yet the gentleman is not at all reluctant to offer it on the floor of the House today. I simply do not see what the difference is.

All it means is it was not possible for it to have the full consideration and a vote upon the amendment offered by the gentleman from Georgia during the period of time when the bill was being considered and marked up.

The administration is opposed to this measure. This administration, just as the last administration, does not want a less flexible trade policy than we now have. The amendment offered by the gentleman from Florida most certainly would render our trade policy considerably less flexible if that amendment is adopted.

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

Mr. ASHLEY. I yield to the gentleman from Georgia.

Mr. BLACKBURN. Mr. Chairman, I want to point out to the Members of this body, and to the gentleman who is speaking, that other amendments have been offered here today by Members of the committee which we did not consider and vote upon in the committee, and there has been no objection made to this body considering those amendments. So I do not think the argument is a valid argument against my amendment any more than it would be against any other, and I really do not think it is a valid argument in any event.

Mr. ASHLEY. All I am suggesting is, of course, if the gentleman had offered his amendment in timely fashion, the administration witnesses who appeared before our committee would have been obliged to take a position on his amendment. His failure to offer his amendment and to discuss his amendment at the time of our hearings, of course, make it impossible for this body to be apprised of the position of the administration.

The reason I can say that with some assurance that the administration is opposed to the amendment is because they have indicated no later than this morn-

ing, because they made it abundantly clear—and I am talking about the Defense Department, the Commerce Department, and the State Department—they do not want a less flexible policy than we now have. They do not want a more liberal policy. They say they want the same policy that they feel they can administer satisfactorily.

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

Mr. ASHLEY. I yield to the gentleman.

Mr. BLACKBURN. I would just make the observation, of course, that the initial amendment I had proposed contained language which is not in the current amendment. After I had prepared my initial proposal in which I made my amendment apply to any act which is on the books, it became readily apparent—and, of course, we had the committee print out and we were working under great pressure at that point—and it became apparent that this would be subject to a serious question of parliamentary procedure. That being the case I have deleted the language which would have caused strong objection from the administration. But the fact that the administration neither approves nor disapproves or has not taken any action on this, should not act as a deterrent to this body in exercising its will.

Mr. ASHLEY. I am in perfect agreement with the gentleman on that. I acknowledge that the amendment, that is the other amendment, would certainly have had far greater implication than does the amendment now before us. My opposition to the amendment is simply on the basis that we have not yet had sufficient opportunity to go into all of the aspects that attend an amendment as broad even as this one is.

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

Mr. ASHLEY. I yield to the gentleman.

Mr. WIDNALL. The U.S. obligation to embargo Rhodesia under the U.N. Charter is implemented under the Export Control Act. Therefore, the administration is against the Blackburn amendment even as it is constituted right now.

Mr. HANNA. Mr. Chairman, I move to strike out the last word and rise to speak in opposition to the amendment.

Mr. Chairman, I take this opportunity to speak against this amendment, but also to bring the attention of this House to something I think has not been made very strongly here.

We have, I think, been addressing ourselves as the gentleman from New Jersey just now pointed out to you on some policy in the wrong direction. We have a Trading With the Enemy Act. Policies with reference to trade with an enemy country should fall in that area of the law. We have an Export Trade Act in which we can direct ourselves in terms of our trade in the international market.

What we are talking about now is extending legislation that we hope will encourage and expand genuine exports by our country. Mr. Chairman, we live in a marginal society just like everybody else in this world. Four percent of our gross

national product now is in international trade. If it falls below that, we are in trouble.

I will tell you. When you sell anything today—and when you buy your car, you buy your car and you buy your financing. If it is a choice between whether you are going to get a first-class Pontiac or a first-class Chevrolet, you are going to find out what your financing benefits are. If you can get a better financial package buying one way rather than the other, gentleman, that is what you do. Everybody in the whole world, when they are buying react exactly as you do. Our job in this Congress is to encourage trade under this Export Act and to help finance it under the Export-Import Bank legislation.

By comparison with competing free world countries our financial package is beginning to look pretty sorry. The ability of our business to get licenses to trade is beginning to look rather sorry and we are going to be hurt if we are going to fall below 4 percent of our GNP that is going into international trade.

You are not in this bill talking about trade between some country and our enemies. You are talking of trade between American businessmen and an international purchaser. This is the only trade that you are talking about in this bill.

I think you had better get your sights squared away on what you are doing here. I do not think you want to do what it appears to me you are doing. I suggest that this amendment just like some others have pointed out how seriously we can go awry when we let our emotional binges take over instead of our good solid judgment.

If you want to be against some of these things, address yourselves in the appropriate legislation that can effectively deal with that problem. But do not foist it upon an exporter who simply is trying to sell an American product with some kind of financial package; a competitive financial package with what the businessman in a competing country can offer to the same customer.

If we are not prepared to do that, gentlemen, we are prepared to help put this country down the road to a diminishing trade and worsening balance of payments and a real impact upon the economy that will mean loss of jobs, including a further impact on unemployment. This is the best way I know of to start a cycle of depression in this country.

We are able to protect ourselves against those cycles in the domestic economy, but we have no protection against the impact that will come from our international trade. If 4 percent of \$1 trillion does not mean anything to you, you had better sharpen up your arithmetic. I yield back the balance of my time.

Mr. BARRETT. Mr. Chairman, I know the gentleman from New Jersey (Mr. FRELINGHUYSEN) desires to speak. I wonder if the time for debate on the amendment could be limited.

The CHAIRMAN. If the committee is so disposed.

MOTION OFFERED BY MR. BARRETT

Mr. BARRETT. Mr. Chairman, I move that all debate on this amendment and all amendments thereto conclude at 5 p.m.

PARLIAMENTARY INQUIRY

Mr. ASHBROOK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ASHBROOK. Did the Chair recognize the gentleman from New Jersey for 5 minutes? Would that be included in the limitation?

The CHAIRMAN. No, the Chair has not recognized the gentleman from New Jersey.

Mr. BLACKBURN. I wonder if the gentleman from Pennsylvania would amend his motion so as to have the time expire, say, 5 minutes after 5.

Mr. BARRETT. That would be satisfactory. I so amend my motion.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I think it is an outrageous operation to cut off debate on a matter of such substance, and I regret very much that the Chairman made the move he did.

I rise in strong opposition to the amendment. Its effect would seem to be to require a lifting of controls on strategic goods that the executive branch decides should not go to certain countries, unless the Congress takes certain action. And it would also seem quite possible under the terms of the amendment to require a lifting of an embargo such as that imposed against Rhodesia by Executive order. The fact that the sponsor of the amendment says he is doubtful whether it would have that effect, but that he hopes it will, is no consolation to me at all.

I would suggest that if we have our wits about us, we will vote down the amendment. This has been a disheartening debate. It has been seriously suggested that we ought to cut off trade relations with our major trading partners because we are unhappy about their trade with North Vietnam. Now because of an individual's feeling, we must consider an ambiguous and far-reaching amendment such as the one proposed, but with no opportunity to consider the specific language, its purpose or its effect.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I ask unanimous consent that my time be given to the gentleman from Georgia (Mr. BLACKBURN).

Mr. FRELINGHUYSEN. I object.

Mr. ASHBROOK. Strangely enough, the gentleman from New Jersey objects. But I rise to support the position that he took.

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

Mr. ASHBROOK. I yield to the gentleman from Georgia.

Mr. BLACKBURN. I would like to point out to the gentleman from New Jersey that this amendment will not affect any partial banning of strategic goods, and it is not designed for that purpose. I think to the extent the gentleman has addressed himself to the fact that this would cut off any restriction on trade is not a valid observation, because the amendment itself defines the term "embargo" as being a total or substantially total embargo.

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

Mr. ASHBROOK. No, I will not yield to the gentleman since he would not agree to my unanimous-consent request.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Chairman, I want to address myself to some of the comments made by the gentleman from California (Mr. HANNA). The gentleman's presentation, as I recall, was that my amendment is going to restrict the growth of international trade. I would like to point out we are the body who should be the spokesman for the very businessmen about whom the gentleman was expressing such concern.

When the President declares a total economic warfare against another nation and puts our businessmen out of the business of selling goods, and Congress lacks the power to approve or disapprove this act, I think the gentleman's argument is more in favor of my position than against it. We should be the ones to stand up and take the responsibility of saying to the businessmen no, you do not trade with those countries, or we should say that we think the President is wrong. It is time we exercise our responsibility.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I expressed the view this amendment would apply to the embargo under the United Nations Participation Act. The gentleman has explained it would not apply in his view, because that embargo is imposed under a statute of the United Nations Participation Act. But surely any embargo imposed by the President must be pursuant to a statute. He cannot impose an embargo on his own executive authority. Therefore, the first sentence of this must apply to any embargo the President applies pursuant to the statute, and that would apply to the Rhodesian situation. It would be contrary to our position under the U.N. charter, and it would be to the benefit of 200,000 whites who are ruling Rhodesia as a small minority in that country.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. BARRETT) to close the debate.

Mr. BARRETT. Mr. Chairman, I yield back my time.

The CHAIRMAN. The question is on the amendment to the committee amend-

ment offered by the gentleman from Georgia (Mr. BLACKBURN).

The question was taken; and on a division (demanded by Mr. BLACKBURN) there were—ayes 28, noes 44.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

COMMITTEE AMENDMENT

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

The Clerk read as follows:

Committee amendment: Page 2, immediately after line 4, insert the following:

"Sec. 2. Section 6 of the Export Control Act of 1949 (50 U.S.C. App. 2026) is amended by adding at the end thereof the following new subsection:

"(d) In the administration of this Act, reporting requirements shall be so designed as to reduce the cost of reporting, record-keeping, and export documentation required under this Act to the extent feasible consistent with effective enforcement and compilation of useful trade statistics. Reporting, recordkeeping, and export documentation requirements shall be periodically reviewed and revised in the light of developments in the field of information technology. A detailed statement with respect to any action taken in compliance with this subsection shall be included in the first quarterly report made pursuant to section 8 after such action is taken."

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. PODELL

Mr. PODELL. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. PODELL: On page 2 after line 4 insert the following:

"Sec. 2. Section 2 of the Export Control Act of 1949 is amended by adding at the end thereof the following new paragraph:

"(5) The Congress further declares that it is the policy of the United States to prohibit exports to any country which permits the refining, manufacturing, or trading in narcotic drugs (as defined in section 4731(a) of the Internal Revenue Code of 1954) or depressant or stimulant drugs (as defined in section 201(v) of the Federal Food, Drug, and Cosmetic Act)."

Mr. PODELL. Mr. Chairman, at the outset let me say I must apologize to the committee for not having submitted this amendment during committee deliberations on the bill. This amendment has coalesced since that activity concluded.

This is a permissive amendment. It does not require the President or the Congress to do anything, but merely declares it is the policy of the United States of America to prohibit exports to any country permitting refining, manufacture, or trading and dealing in narcotic drugs as defined by the Internal Revenue Code.

We do know that now, in Marseilles, France, there is a refining operation, permitted by that country, which is refining opium into morphine and heroin, and exporting all or almost all of these finished products into this country. Organized crime operates with impunity, and we here in America suffer.

If we walk the streets of our country,

no matter where, we will find youngsters on those streets and children in our schools becoming narcotics addicts. We have in New York City upwards of 100,000 narcotic addicts, stealing approximately \$100 a day in goods to feed their habit. This is what is turning our urban areas into jungles.

We are talking about 40 percent of the crime in our country today. Now we know what is causing this, and it is about time the Congress spoke up and did something about this. Words have flowed endlessly. Now we have a chance to put certain governments on notice that their tolerance of this traffic is at an end.

All we do with this amendment is to give official notice to the President that it should be the policy of this country to stop trading with those countries that permit refining, manufacture, or trading in opium and various narcotics as defined by the Internal Revenue Code.

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

Mr. PODELL. I am glad to yield to the gentleman from Texas.

Mr. WHITE. Does the gentleman have a definition, as described in the amendment, of the provision in the statute?

Mr. PODELL. I do not have that section of the Internal Revenue Code here. It defines and outlines narcotics, barbiturates, and stimulants which do come under official regulation.

Mr. WHITE. Some of those are manufactured in the United States for legitimate purposes. If the definition said the "illegal manufacture" of course I would go along. If it merely defines the barbiturates and narcotics, perhaps we are doing an injustice to the legitimate trade and the legitimate manufacture in the country. Every country does manufacture or produce.

Mr. PODELL. The section we refer to here deals only with illegal traffic.

Mr. WHITE. Is that the definition?

Mr. PODELL. In the section, yes. First it deals only with illegal traffic. Second, it permits the President to make such policy. There is no congressional mandate. He will make policy only under circumstances where, of course, the activity is patently illegal.

Mr. WHITE. I thank the gentleman.

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

Mr. PODELL. I yield to the gentleman from New Jersey.

Mr. WIDNALL. Would not this section prohibit the trading with any country that is selling us drugs for medicinal purposes at the present time?

Mr. PODELL. If the President or administration in its wisdom felt that a particular country was permitting such drugs to be illegally exported to our country, the administration or the President would have a right to exercise this prerogative and prohibit further exports.

Mr. WIDNALL. The amendment does not say that.

Mr. PODELL. It certainly does. May I repeat it for the gentleman:

The Congress further declares that it is the policy of the United States—

That it is merely the policy—

to prohibit exports to any country which permits the refining—

Obviously, those countries which do refine drugs for medicinal purposes certainly would be permitted to continue to do so, and we may continue to deal with them.

Mr. WIDNALL. It says nothing about "illegal."

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

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

Mr. HANNA. I wonder if the gentleman would entertain an amendment to his amendment to add "pornography." I believe, if the export policy is going to handle communism and our drug problems, we ought to have an export policy of this Nation taking care of pornography.

Mr. PODELL. If it is the gentleman's purpose and desire to be facetious, let me remind the gentleman to ask Art Linkletter, from his own State, whether he would feel we are being premature in dealing in such a manner with drug problems in our country. The gentleman might ask some of his neighbors down the street. On any street, for that manner. This flood of poison pours like cancer into our bloodstream, ruining lives, weakening our society's fabric and fattening up organized crime. We must serve notice on nations tolerating such traffic, and their authorities are fully informed on it, that we shall retaliate economically at any regime which allows further activities of this sort to continue within its borders.

I submit to the gentleman that this is the most pressing domestic problem in our country today. Our children, yours and mine, in the schools of this country are being infected with this horror. It is about time we took a forward step and took action in this area. Each of us knows of one case after another where drugs have crumbled the existence of young Americans. Remedies are available, and we have one here at hand.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am very sympathetic to the gentleman from New York and the amendment he has offered. I agree with him that there are few matters of more pressing domestic concern than the increased availability and the increased use of drugs among our young and among many Americans.

In all truth, though, Mr. Chairman, the bill before us is not a Christmas tree to be adorned with ornaments. The gentleman is quite right when he says that our committee did not have an opportunity to study the amendment that has been proposed. It does seem to me that a matter as pressing as the matter to which his amendment is addressed should certainly have the consideration of the legislative committee reporting the bill. This is the view that has been taken by the Department of Commerce. In a letter received quite recently, the Department of Commerce says as follows:

The Department fully supports enactment of comprehensive Federal legislation de-

signed to effectively meet the narcotic and dangerous drug problem at the international as well as domestic level. However, we oppose a premature and fragmented attempt to deal with the problem of illicit drug trade such as is contemplated in H.R. 13792.

This is a bill very similar to if not exactly the same as that incorporated in the gentleman's amendment. Continuing:

To regulate exports without concurrent controls over imports of dangerous drugs would not preclude the clandestine importation of those commodities produced abroad, nor the diversion of domestically produced drugs into illicit channels. The surveillance of exports of such drugs can be carried out through cooperation between the investigatory units of various Federal agencies including the Department of Commerce, without unnecessarily burdening lawful trade in these commodities as would be the case if we imposed validated licensing requirements.

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

Mr. ASHLEY. I am happy to yield to the gentleman from New York.

Mr. PODELL. I thank the gentleman for yielding.

Is it not correct that this bill will not come up for passage again for 2 years?

Mr. ASHLEY. That is not necessarily true. The bill before us calls for a 2-year extension, but this obviously does not preclude my subcommittee or the full Committee on Banking and Currency from considering amendments to the Export Control Act that might be introduced during the intervening period.

Mr. PODELL. Will the gentleman yield further?

Mr. ASHLEY. Yes.

Mr. PODELL. Does the gentleman believe, as the administration does believe, according to their letter, that action on behalf of this problem is being premature? Does the gentleman believe we have any more time in dealing with this narcotic problem in our country? Does the gentleman really believe we can waste 1 more second or 1 more minute in stopping countries like France from refining these poppy narcotics and having them sold here in our country?

Mr. ASHLEY. I do not believe we can afford to waste one moment at all, but I think we are wasting time when we consider an amendment such as the one the gentleman offered very properly and in good faith but which has not had full consideration, full deliberation and testimony from those who are competent to give it. I think in answer to that that consideration of the amendment is not appropriate at this time.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from New York (Mr. PODELL).

The amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. BINGHAM

Mr. BINGHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BINGHAM: On page 2, line 18, add the following new section at the end:

"Sec. 3. Section 8 of the Export Control Act of 1949 is amended by striking all including the heading thereof, and inserting in lieu thereof the following:

"REPORTING AND INFORMATION

"Sec. 8 (a) The head of any Department or agency or official exercising any functions under this Act shall make a quarterly report, within 45 days after each quarter, to the President and to the Congress of his operations hereunder. In each such report, the Secretary of Commerce shall review all lists of articles, materials, or supplies, including technical data or other information, the exportation of which from the United States, its territories and possessions, is prohibited or curtailed with a view to making promptly such changes and revisions in such list as may be necessary or desirable in furtherance of the policy, purposes, and provisions of this Act. The Secretary of Commerce shall further include a detailed statement with respect to actions taken in compliance with the provisions of Paragraph 3 and the justifications thereof in the second quarterly report (and in any subsequent report with respect to actions taken during the preceding quarter) made by him to the Congress after the date of any extension of this Act.

"(b) The Secretary of Commerce shall use all practicable means available to him to keep the business sector of the nation fully apprised of changes in export control policy and procedures instituted in conformity with this Act. Pursuant thereto, and in order to enable United States exporters to coordinate their business activities with the export control policies of the United States Government, the agencies, Departments, and officials responsible for implementing the rules and regulations authorized under this Act shall, insofar as it is consistent with the national security, the foreign policy of the United States, and the effective administration of this Act—

"(1) inform each exporter of the considerations which may cause his export license request to be denied or to be the subject of lengthy examination;

"(2) inform each exporter of the circumstances arising during the Government's consideration of his export license application which are cause for denial or for further examination;

"(3) give each exporter the opportunity to present evidence and information which he believes will help the agencies, Departments, and officials concerned to resolve any problems or questions which are, or may be, connected with his request for a license, and

"(4) inform in writing each exporter of the specific reasons for a denial of an export license request."

Mr. BINGHAM. Mr. Chairman, the amendment I propose would make no change in the trade policies of this country, but is designed to improve administration and operation of the export control system for the benefit of American business. It is supported by the U.S. Chamber of Commerce. Specifically my amendment would:

First. Require the Secretary of Commerce to review on a quarterly basis all items prohibited or curtailed for export, with a view to making promptly such changes and revisions as may be desirable consistent with the purposes of the act;

Second. Require that all officials responsible for implementing rules and regulations under the export control system fully inform exporters of consider-

ations which may cause license requests to be denied or subject to lengthy examination;

Third. Require that exporters be given full opportunity to present evidence and information on behalf of export license applications; and

Fourth. Require that prospective exporters be informed in writing of the specific reasons for denial of any export license request.

I would like to read from a telegram sent yesterday to me and other Members by Mr. Hilton Davis on behalf of the U.S. Chamber of Commerce:

The National Chamber has long called for the thorough and continuous reexamination and reevaluation of the present system of export controls, with the view to eliminating those not necessary for the security of the U.S. and which result in discrimination harmful to its competitive position. The chamber also believes that authority given to administrative agencies should be policed by Congress and that these agencies should be required to keep the public fully informed as to their structure, functions and actions.

The Bingham amendment seems designed to carry out these objectives as they apply to export controls. We urge your vote for this amendment.

HILTON DAVIS,

General Manager, Legislative Action.

I repeat: the amendment to the Export Control Act extension that I am proposing makes no change in the trade policies of this country. It is designed, instead to help eliminate the apparent trade disadvantage and difficulty encountered by many businessmen as a result of the complexity of the system of trade restriction and the clumsiness of its implementation. I refer specifically to the fact that a great many items continue to appear on the list of items restricted for export—particularly those items restricted unilaterally by the United States—which have no apparent national security or foreign policy significance. Looking through one recent version of the list, for example, I noted the following: "knots and tufts for broom or brush making," "animated displays for window dressings," "cow dip," "belt clasps," "type-writers"—(multitype only)—"type fonts," "lavatories and plumbing fixtures," "used clothing," "voice and music recorders," and "terrestrial and celestial globes." While there may be good reason to restrict these items, they certainly are not apparent, and Federal authorities should be required to review and report their reasoning in restricting these items.

As I understand it, for purposes of most destinations in Communist dominated areas, all items are assumed to be prohibited for export unless ruled otherwise. As a result, the list of items for which licenses must be granted is long. It is gradually being "shaken down" through what one Federal official has called a "gradual evolutionary process." That is, certain items are removed from the list as applications to export them are filed and determination is made that there is no need to restrict their export. In addition, there have been occasional general reviews of these lists—the latest one as far as I can determine in 1965—which have resulted in the removal of literally hundreds of irrelevant items.

The Department of Commerce claims to make a continuing review of the commodity control list without waiting for specific applications for exports to be made. The specific results of these reviews for individual items, however, are not made generally available. It is, therefore, difficult for policymakers or businessmen to challenge these findings or conclusions should they wish to do so. As many businessmen have claimed in testimony, the justifications for retaining certain items on the restricted list and the kinds of considerations that are made is a very "foggy" and confusing area.

My amendment would assure that broad reviews of the commodity control list are undertaken on a continuing basis. Without such general reviews, removal of irrelevant items proceeds quite slowly, impeding and slowing down legitimate trade by necessitating added license applications. My amendment would require the Secretary of Commerce to undertake a continuing general review of all lists with an eye toward removing those that are irrelevant even before any export license application is filed; it will further require that justifications for retaining or removing items be reported to Congress quarterly.

Any export control system, regardless of the policy pronouncements on which it is based, is a difficult mechanism to administer and inevitably detains and restricts trade unless it is efficiently and smoothly administered. In the course of hearings on both the House and Senate sides, it has become evident that a great many businesses are losing trade opportunities not only because license applications are refused on certain items, but also because of the great delay that often occurs in reaching a decision on license applications and the lack of information available to businesses on the status of the applications and the relevant considerations being used to determine whether a given application will or will not be granted. This is particularly the case when the item under examination falls in the "gray" area—items which have both clear, peaceful, and potential military uses.

I note with satisfaction the efforts that are continuing to be made by the Department of Commerce and other agencies with authority under the Export Control Act to streamline the procedures for ruling on license applications. In May 1963, for example, the Department announced a new procedure that permits an exporter to receive an export license for samples of his product without any advance determination being required as to whether a commercial quantity might also be approved. It is the latter process which so often takes inordinate and critical time. But I am persuaded that much remains to be done to make the process of ruling on license applications more efficient and more responsive to the needs and requirements of the business community. My amendment, therefore, would require that potential exporters be fully informed at all stages of the licensing process of the status of their application and the considerations which may

cause the application to be delayed or denied. It would also require that exporters be given an opportunity to present evidence and information which they believe will help their case and help the agencies concerned reach a rapid and favorable decision on license requests.

Finally, my amendment would require that exporters be notified in writing of the specific circumstances and considerations surrounding any denial of an export license request. It is my belief and hope that these requirements will expedite and improve the licensing process and enable businesses to salvage much potential trade which they are now losing merely as a result of the clumsy and closed operation of the licensing mechanism.

The requirement I mentioned earlier that the Secretary report his justifications for retaining or removing items from the commodity control list quarterly, will also enable businesses to operate with more knowledge and rationality in the export field, and permit them to challenge judgments of the Federal Government responsibly should they have evidence which they feel are contrary to official findings.

I hope my amendment will be approved.

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

Mr. Chairman, I rise in support of the amendment which has been offered by the gentleman from New York. It is a good amendment.

As I pointed out in my earlier remarks, both statistically and by example, the control lists embrace hundreds of categories accounting for thousands of products which are unrelated to the strength of the Eastern European countries within the context of the potential threat they pose to our national security.

The redtape that emerges from this vast network together with the admission by administration witnesses that little has been done to clean out the control lists, certainly indicates the good sense of an amendment with language requiring a systematic justification of the need to maintain the vast list of barriers to trade.

From testimony taken from several public witnesses, together with other written communications, it does appear that there is a need to establish closer coordination between business and government in the implementation of our export control policies.

The Subcommittee on International Trade took extensive and detailed testimony which pointed up the frustrations of exporters in attempting to work through this program. Not only are they faced with long delays which discourage further sales efforts on their part and cause them to lose sales to foreign competitors whose governments process applications much faster, they are also left uninformed about the status of their license applications and are not given reasons for denial which might enable them to reorient their marketing and production activities. The amendment, as I understand it, would diminish another of the barriers to the pursuit of export sales by enabling American businessmen to

keep abreast of the status of their applications without unduly hampering the functions of the Department of Commerce.

Hence, I support the amendment.

Mr. Chairman, I understand that there is no objection on the part of the committee members on this side of the aisle to the amendment which has been offered by the gentleman from New York.

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

Mr. ASHLEY. I shall be glad to yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, I feel that this amendment has some very good ideas, but it would be the quickest way to build up a large bureaucracy in the handling of these matters. The sixth section of this bill provides for reporting requirements which I feel are ample, and which would expedite action, and I oppose the amendment.

Mr. BINGHAM. Mr. Chairman, I think the businessmen who have had experience under this act, as they testified before the Senate committee and the House committee, have indicated that they are floundering, that they are not given guides, and they do not know what the criteria are, and they have difficulties. This is an attempt to solve their problem by increasing certain reports.

I might add that this amendment has been adopted in practically the same fashion by the committee in the other body, and recommended to the other body for passage.

I hope that this amendment, which is a pro-American business amendment, will be adopted.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BINGHAM).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 23, noes 47.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ABERNETHY, 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. 4293) to provide for continuation of authority for regulation of exports, pursuant to House Resolution 575, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

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

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

The amendments were agreed to.

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

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

MOTION TO RECOMMEND OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WYLIE. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WYLIE moves to recommit the bill H.R. 4293 to the Committee on Banking and Currency.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

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. ASHBROOK. 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 Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 273, nays 7, not voting 151, as follows:

[Roll No. 233]

YEAS—273

Abernethy	Collins	Green, Oreg.
Adair	Colmer	Green, Pa.
Adams	Conte	Griffiths
Alexander	Corman	Gubser
Anderson, Calif.	Coughlin	Gude
Anderson, Ill.	Cramer	Hagan
Anderson, Tenn.	Culver	Halpern
Andrews, Ala.	Daddario	Hamilton
Annunzio	Daniel, Va.	Hammer-
Ashley	Daniels, N.J.	schmidt
Ayres	Davis, Ga.	Hanley
Barrett	Davis, Wis.	Hanna
Beall, Md.	de la Garza	Hansen, Wash.
Belcher	Delaney	Harrington
Bennett	Delaney	Harvey
Betta	Dickinson	Hathaway
Bevill	Diggs	Hawkins
Biaggi	Donohue	Hebert
Blester	Dowdy	Hechler, W. Va.
Bingham	Downing	Heckler, Mass.
Blackburn	Dulski	Helatoski
Boggs	Duncan	Henderson
Boland	Edwards, Ala.	Hicks
Bolling	Eilberg	Hogan
Bow	Esch	Howard
Brademas	Evins, Tenn.	Hull
Brinkley	Fish	Hungate
Brock	Flood	Hunt
Broomfield	Foley	Hutchinson
Brown, Mich.	Ford	Ichord
Broyhill, N.C.	William D.	Jacobs
Burke, Fla.	Foreman	Johnson, Pa.
Burke, Mass.	Fountain	Jonas
Burleson, Tex.	Fraser	Jones, Tenn.
Burleson, Mo.	Frelinghuysen	Karth
Burton, Utah	Frey	Kastenmeier
Bush	Friedel	Kasen
Button	Fulton, Pa.	Keith
Byrne, Pa.	Gallifanakis	King
Cabell	Gallagher	Kleppe
Casey	Gaydos	Koch
Chamberlain	Gettys	Kuykendall
Chappell	Giaino	Kyros
Cleveland	Gilbert	Langen
Cobelan	Goldwater	Leggett
Collier	Gonzales	Lennon
	Goodling	Lipscomb
	Gray	Long, Md.

Lowenstein
McCarthy
McClure
McCulloch
McDade
McDonald, Mich.
McFall
McKneally
Macdonald, Mass.
MacGregor
Madden
Mahon
Mailliard
Mann
Marsh
Matsunaga
May
Mayne
Meicher
Meskill
Michel
Mikva
Miller, Calif.
Miller, Ohio
Minish
Mink
Minshall
Mizell
Mollohan
Monagan
Moorhead
Morgan
Morton
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix

Ashbrook
Clancy
Gross

Obey
O'Hara
O'Neal, Ga.
O'Neill, Mass.
Ottinger
Pasman
Patten
Pelly
Perkins
Philbin
Pickle
Pike
Pirnie
Poage
Podell
Poff
Preyer, N.C.
Price, Tex.
Fryor, Ark.
Purcell
Quillen
Railsback
Randall
Rees
Reid, Ill.
Reid, N.Y.
Rhodes
Robison
Rogers, Colo.
Rogers, Fla.
Rooney, N.Y.
Rooney, Pa.
Rostenkowski
Roth
Roudebush
Roybal
Ruth
Ryan
Sandman
Satterfield
Schadeberg
Scheuer
Schneebeli
Schwengel
Scott

NAYS—7

Landgrebe
Rarick
Scherie

NOT VOTING—151

Abbitt	Edmondson	Meeds
Addabbo	Edwards, Calif.	Mills
Albert	Edwards, La.	Mize
Andrews, N. Dak.	Erlenborn	Montgomery
Arends	Ehlerman	Morse
/spinall	Evans, Colo.	O'Koncki
Baring	Fallon	Olsen
Bell, Calif.	Farnstein	Patman
Berry	Fascell	Pepper
Blanton	Feighan	Pettis
Blatnik	Findley	Pollock
Brasco	Fisher	Powell
Bray	Flowers	Price, Ill.
Brooks	Flynt	Pucinski
Brotzman	Ford, Gerald R.	Qule
Brown, Calif.	Fulton, Tenn.	Reifel
Brown, Ohio	Fuqua	Reuss
Broyhill, Va.	Garmatz	Riegle
Buchanan	Gibbons	Rivers
Burton, Calif.	Griffin	Roberts
Byrnes, Wis.	Grover	Rodino
Caffery	Hailey	Rosenthal
Cahill	Hall	Ruppe
Camp	Hansen, Idaho	St Germain
Carey	Harsha	St. Onge
Carter	Hastings	Saylor
Cederberg	Hays	Shipley
Celler	Hollifield	Sisk
Chisholm	Horton	Smith, Iowa
Clark	Hosmer	Smith, N.Y.
Clausen, Don H.	Jarman	Snyder
Clawson, Del	Johnson, Calif.	Stanton
Clay	Jones, Ala.	Steed
Conable	Jones, N.C.	Stubblefield
Conyers	Kee	Taft
Corbett	Kirwan	Taylor
Cowger	Kluczynski	Teague, Tex.
Cunningham	Kyl	Thompson, Ga.
Dawson	Landrum	Tierman
Dellenback	Latta	Tunney
Dennis	Lloyd	Ullman
Dent	Long, La.	Utt
Derwinski	Lujan	Vander Jagt
Devine	Lukens	Waldie
Dingell	McClory	Wampier
Dorn	McCloskey	Watts
Dwyer	McEwen	Whalley
Eckhardt	McMillan	Whitten
	Martin	Wilson
	Mathias	Charles H.

Winn
Wold

Wright
Wyatt

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hollifield with Mr. Dennis.
Mr. Hays with Mr. Derwinski.
Mr. Aspinall with Mr. Corbett.
Mr. Brasco with Mr. Findley.
Mr. Edmondson with Mr. Camp.
Mr. Rivers with Mr. Byrnes of Wisconsin.
Mr. Garmatz with Mr. Cederberg.
Mr. Feighan with Mr. Berry.
Mr. Farbstain with Mr. Grover.
Mr. Carey with Mr. Oahill.
Mr. Brooks with Mr. Eyi.
Mr. Johnson of California with Mr. Del Clawson.
Mr. Griffin with Mr. Lloyd.
Mr. Edwards of California with Mr. Bell of California.
Mr. Addabbo with Mr. Andrews of North Dakota.
Mr. Kirwan with Mr. Hall.
Mr. Albert with Mr. Gerald R. Ford.
Mr. Taylor with Mr. Hansen of Idaho.
Mr. Blanton with Mr. Hastings.
Mr. Rodino with Mr. Horton.
Mr. Celler with Mr. Conable.
Mr. Edwards of Louisiana with Mr. Lujan.
Mr. Roberts with Mr. Bray.
Mr. Dent with Mrs. Dwyer.
Mr. Sisk with Mr. Hosmer.
Mr. Shipley with Mr. Brotzman.
Mr. St. Onge with Mr. Cunningham.
Mr. Price of Illinois with Mr. Erlenborn.
Mr. Pepper with Mr. Broyhill of Virginia.
Mr. Mills with Mr. Areeda.
Mr. Long of Louisiana with Mr. Snyder.
Mr. Jones of Alabama with Mr. Thompson of Georgia.
Mr. Charles H. Wilson with Mr. Don Clausen.
Mr. Teague of Texas with Mr. Dellenback.
Mr. Abbitt with Mr. Devine.
Mr. Blatnik with Mr. Harsha.
Mr. Baring with Mr. Ullman.
Mr. Kee with Mr. Clay.
Mr. Evans with Mr. Meade.
Mr. Olsen with Mr. Eshleman.
Mr. Watts with Mr. Latta.
Mr. Jarman with Mr. Morse.
Mr. Tiernan with Mr. McEwen.
Mr. Steed with Mr. Martin.
Mr. Haley with Mr. Lukens.
Mr. Pucinski with Mr. McClory.
Mr. Reuss with Mr. O'Ronski.
Mr. Fuqua with Mr. Pettis.
Mr. Rosenthal with Mr. McCloskey.
Mr. St Germain with Mr. Pollock.
Mr. Fulton of Tennessee with Mr. Quie.
Mr. Waldie with Mr. Mathias.
Mr. Wright with Mr. Beffel.
Mr. Patman with Mr. Mize.
Mr. Gibbons with Mr. Beigel.
Mr. Fallon with Mr. Saylor.
Mr. Clark with Mr. Smith of New York.
Mr. Kluczynski with Mr. Ruppe.
Mr. Fascell with Mr. Stanton.
Mr. Whitten with Mr. Taft.
Mr. Flowers with Mr. Utt.
Mr. Montgomery with Mr. Vander Jagt.
Mr. Caffery with Mr. Wampler.
Mr. Fisher with Mr. Whalley.
Mr. Stubblefield with Mr. Winn.
Mr. Landrum with Mr. Wold.
Mr. McMillan with Mr. Wyatt.
Mr. Jones of North Carolina with Mr. Buchanan.
Mr. Eckhardt with Mr. Brown of Ohio.
Mr. Flynt with Mr. Carter.
Mr. Dorn with Mr. Cowger.
Mr. Tunney with Mr. Conyers.
Mr. Brown of California with Mr. Dawson.
Mr. Dingell with Mr. Powell.
Mr. Burton of California with Mrs. Chisholm.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

PERMISSION FOR CLERK TO CORRECT SECTION NUMBERS, CROSS REFERENCES, AND PUNCTUATION IN ENROLLMENT OF H.R. 4293

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the Clerk may correct section numbers, cross references, and punctuation in the enrollment of the bill just passed, H.R. 4293.

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

There was no objection.

GENERAL LEAVE

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill just passed.

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

There was no objection.

PERSONAL EXPLANATION

(Mr. DON H. CLAUSEN asked and was given permission to address the House for 1 minute.)

Mr. DON H. CLAUSEN. Mr. Speaker, I was unavoidably detained at a meeting at the executive offices when the vote was taken on the bill, H.R. 4293, the Export Control Act extension and was, therefore, unable to be here for the purpose of the voting.

Therefore, I want the RECORD to reflect my position as being in favor of the extension of the Export Control Act, and had I been present I would have voted aye.

PERSONAL EXPLANATION

Mr. ESHLEMAN. Mr. Speaker, I would like the RECORD to show that I was on my way to the floor of the House at the time of the rollcall and would have voted "yea" on the bill just passed had I been able to reach the floor in time to do so.

The SPEAKER. The gentleman's remarks will appear in the RECORD.

PERSONAL EXPLANATION

Mr. FULTON of Pennsylvania. Mr. Speaker, I would like to make a statement with reference to the vote on the student loan bill conference report. I was returning from my Pittsburgh office for today's session and my plane was several hours overdue at the Washington National Airport.

Had I been able to be present, I would have voted "yea" on final passage of the student loan bill conference report on rollcall No. 231 this afternoon.

PERMISSION FOR COMMITTEE ON RULES TO FILE A PRIVILEGED REPORT ON H.R. 13950

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report on the bill H.R. 13950.

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

There was no objection.

THE OIL INDUSTRY WINS—THE TAXPAYERS LOSE

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

Mr. PODELL. Mr. Speaker, while the Nation is paying major attention to the moratorium and world's series, the oil industry is quietly carving out of the House-passed tax reform bill provisions eroding its accumulated tax privileges. Yesterday, the Senate Finance Committee began the quiet process of evisceration, dropping from the tax reform measure two sections which would have cost the oil industry \$65 million in added taxes. This is just a bare beginning. The first benefit handed back on a silver platter to the oil industry was the foreign tax credit, which the House had repealed. This is the credit American companies may take on their U.S. tax returns for taxes paid to a foreign government. So oil companies, under action taken yesterday, would still be able to deduct losses on new overseas operations against domestic income in 1 year, then apply the foreign tax on those same operations against income earned here in another year.

This confers a double benefit upon the oil industry, violating the rule that a foreign tax credit cannot be larger than the U.S. tax that would otherwise have been paid.

Mr. Speaker, the tax reform bill now before the Senate Finance Committee is the most delicate of compromises. In it, each vested interest affected has lost a small but significant portion of its accumulated tax privileges, all gained at the expense of the average lower- and middle-income taxpayer. This bill is broad enough, but certainly not deep enough. Nonetheless, it is acceptable for now as a beginning, although many Members of the House, myself among them, approved of its final form grudgingly, because it was too shallow in total cuts made in tax privileges.

Many vested interests in the Nation were prevailed upon to accept a cut in tax privileges on the ground that all other interests were sacrificing some of their tax benefits so the average taxpayer could receive some relief. The specter was often raised of one industry or interest using its influence to render itself immune to such a compromise. It was added that such an act would be foolhardy, because it would unravel the entire skein of compromise which was